The Nation's Business

14 Pages
One Section

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXII | Member of Audit Bureau of Circulations ★ PUBLICATION OFFICE: TORONTO, AUGUST 6, 1938 ★ 10c a Copy; $5.00 a Year | No. 32

Farm Prospects Good Across Canada

THERE has been so much jubilation over the wheat comeback of former drought areas on the prairies this year, that the excellent farm prospects of other parts of Canada have been overlooked.

The western wheat crop is vitally important in Canada's economic development but so is agriculture in eastern Canada and British Columbia also. Many of our largest industries, much of our wholesale trade, is directly dependent upon rural purchasing power.

From the eastern shores of Nova Scotia right through to the western coast crop conditions are reported fair to excellent. Hay, potatoes, fall wheat, coarse grains, fruit, vegetables, tobacco and the multitude of other things that go to swell returns from mixed farming are promising good returns. Nowhere will there be any shortage of livestock feed which means steady revenue for the next 12 months as this raw material is turned into dairy and poultry products, meats, wool, beef, pork and mutton. Last year Canada's agricultural income totalled well over a billion dollars. This year despite lower prices, it should be substantially higher.

* * *

Hundred Thousand Individualists

HEADS of the Canadian Corps Association, in Toronto over the week-end, pledged their organization to stand for the preservation of democracy despite today's organized efforts to undermine it. They undertook that the 300,000 ex-soldiers in member units from coast to coast would always stand for the principles upon which the Confederation itself was established.

While the loyalty of the Canadian Corps to Canadian principles and ideals was being affirmed, thousands of members of the association, outside in the streets, were celebrating the 20th year of "peace" in a manner that rather trespassed upon the rights of individual freedom. Much property was damaged; many private citizens were molested. It was all in good fun—except for those who suffered.

* * *

CONTRAST the Corps reunion with, say, a Reich Party Congress in Nuremberg, a Fascist rally at the Unknown Soldier's Tomb in Rome or an assembly in Moscow's Red Square. At any one of these, between 100,000 and 1,250,000 citizens would *be present*. Through one single *spokesman* they would affirm their submission to the will of the dictator; they would salute his words of challenge to other nations, particularly to the democracies.

There would be no disorder. The mood of the gathering would be the mood of one man. His iron discipline would rule every act and every emotion of the hundreds of thousands of others.

* * *

REARED in a school of individualism, Canadians will prefer the week end in Toronto, with its emphasis upon the voluntary joining of hands for a common purpose, to the totalitarian methods of rigorous party discipline. They will prefer it even despite the destructively boisterous character of the attendant celebrations. But democratic nations need discipline, self-imposed discipline enforced by the sanctions of the community interest.

One would have liked to feel that men who had served their country in war would, 20 years after, be better equipped to enjoy themselves quietly and without annoyance to other citizens. It was better to have 100,000 individualists of all parties, creeds and races celebrating in their own way than to have 100,000 submissively hailing a truculent demagogue who was using their combined power as an instrument upon which to play the tune of his own ambitions.

It would have been still better to have done it in a more orderly manner.

* * *

Veteran Bodies Should Join For Unity

THE resolutions affirmed by the Canadian Corps rose sharply above the rowdyism of the week-end celebrations. They stamp the association—or at least its officers and leaders—as having a high sense of national responsibility. They indicate an eagerness and enthusiasm to make this organization an effective instrument for national unity and well-being.

The Great War went far toward making this country a nation. Creed and breed were forgotten in a new-found loyalty to Canada and Canadian ideals. Nationhood matured on Flanders Fields. For a time the harvest looked promising. By 1927, Empire parliamentarians gave official recognition to this new status by fashioning the Statute of Westminster.

Today sectionalism and discord threaten nationhood with noisy show. Provincial rights rather than national responsibilities appear to dominate the Canadian scene.

* * *

FEW groups or organizations have a better opportunity to combat these destructive forces than the Canadian Corps Association and its sister body the Canadian Legion. Only a few months ago the Legion submitted to the Rowell Commission at Ottawa a memorandum on na-

(Continued on page 2, col. 3)

Common-sense Speculation No. 14

How to Avoid Pitfalls In Market Trading

"The Trader" Concludes Series With List of Practical Suggestions to Guide Unwary Investor and Speculator

By "THE TRADER"

Amplification of speculative rules is bound to stress the essentially speculative character of common stocks. A fundamental attribute of a good investment is that it should be a good speculation. And where speculation exists, risk is present. Something can be said for the old bucketshop philosophy, "stocks were meant to be sold." Coming down to brass tacks, stocks should never be put away for an indefinite hold.

Because salability is greatest on the exchanges, by and large, issues chosen by an investor-speculator should enjoy exchange listing. In addition to the advantage of salability is the fact that any change for better or worse soon shows up on the ticker tape which affords the proverbial "goldfish" privacy with respect to corporate developments. Any turn is dramatically reflected in glaring price changes that can be readily observed and appraised.

Dangerous Old Homilies

In choosing stocks listed on a stock exchange, "seasoning" is desirable. Several market panics and business depressions are what try the mettle of a company. A record in bad times as well as in good is

In his fourteenth and concluding article on Common Sense Speculation The Trader this week lists in simple form rules for avoiding more of the pitfalls which lie in the path of the unwary investor:

Disregard short swings for fear of losing a main-trend position.

Impatient switching from one stock to another is rarely profitable.

Excited markets should always intensify the decision to act. After a long decline or a protracted rise, it is usually the wisest policy to turn quickly with the change of tide.

Never let stocks run over 10% against you.

Never put a halo around a favorite stock.

Remember that thousands of other people are pitting their judgment against yours.

needed to determine the nature of earnings achievements.

Stress has already been laid on the manner in which fashions in the stock market change. There are, however, certain industries that, because of their "in-and-out" record, are almost permanently out of fashion. Some, like steel and railroad equipments, are in the "prince and pauper" class, while others have for so long a period enjoyed so transient a prosperity as to fall into the discard. In this hapless group are sugars, textiles, leathers and packers in the United States, but less so in Canada.

In approaching the problems of investment it must again be reiterated that an independent point of view is that which alone can, through trial and error and the testing of experience, inculcate needed self-reliance. Remarks of politicians, statesmen, bankers and businessmen should, for the most part, be taken with a grain of salt. Too imbued with present conditions are most public utterances to represent clear-sighted analysis of the future.

Following are a few old homilies which bewildered market followers may treat with a healthy scepticism. "Never sell America short," attributed to the elder J. P. Morgan, has led many a person to carry indefinitely stocks that the most superficial analysis would have shown to have

(Continued on page 3, col. 2)

Trade Negotiations Nearing Conclusion

Delays But No Breakdown in U. S.-U. K.-Canada Parleys

From Our Own Correspondent

OTTAWA.—Negotiations on the American trade pacts with Canada and Great Britain are approaching the final stages at Washington, The Financial Post is reliably informed. With luck agreements will be ready for signature, it is expected, within eight weeks. Further delay is, of course, possible, but The Post understands that there is no ground for recent rumors of a deadlock.

There was some faint hope, it is now understood, that the U. S.-Canadian agreement might be concluded before Parliament adjourned here last month. Negotiations were hurried with that end in view but toward the end of June it was apparent that such a feat would be impossible. After adjournment there was no need for rushing and complications with Australia made speed out of the question.

Now negotiators are hopeful of getting through well before the November elections in United States. If that proves impossible announcement probably will be purposely delayed until these elections are out of the way.

Tedious Complications

The actual negotiators themselves, The Post is informed, had no misgivings about the length of time necessary to put through such a complicated matter as a three-way trade agreement.

There are more than a thousand tariff items to be considered by each of the three countries involved and many of these items enter at several places in the various tariffs schedules. When disposed of in one section they may come up again in another form. Such a simple product as copper, for instance, is listed half a dozen times in as many forms in the Canadian tariff schedules, and in addition it enters largely into certain manufactured products.

While formal negotiations have only involved the United Kingdom, United States and Canada, all other British Dominions are vitally interested. United States wants a share of the British market for its fruit, grains, lumber and meats. But this British market under the Ottawa agreements is already promised to the Dominions. The latter have been granted substantial preferences.

Now in effect United States with, it is believed, the hearty approval of

(Continued on page 2, col. 2)

Fall Session Hinges On Trade Treaty

From Our Own Correspondent

OTTAWA—Whether there will be a special session of parliament this fall depends upon the time the current trade negotiations at Washington are completed, The Financial Post is informed. It is understood that the resulting trade agreement will be much too important to be dealt with by the cabinet alone.

If this agreement is ready well before the American November elections then it is expected there will be a special session of parliament this fall. If announcement of the agreement is delayed until after the U. S. elections, however, the pact probably will be dealt with at the regular winter session, possibly called a month earlier than usual.

Mackenzie Air Revenues Up

Company Will Gross $60,000 from Air Mail This Year

From Our Own Correspondent

MONTREAL.—Gross revenue of Mackenzie Air Service Ltd. increased nearly 60% in the six months ended June 30 over the same period last year. The number of hours flown increased over 25%.

The improvement in the first six months reflects progress being made in northern mining areas, especially in the Yellowknife district of the North West Territories.

The company is also benefitting from the Mackenzie River air-mail contract, which commenced in November last. It is expected revenue from air mail alone will gross about $60,000 this year. The air-mail service covers Edmonton north to Goldfields, Yellowknife, Eldorado and Aklavik.

In 1937, operating revenue of the company totalled $249,711. Net profit amounted to $21,806, equivalent to seven cents a share.

New Models Ready Early

Jump in Business May Bring 1939 Cars by October

New model cars are expected to make their debut earlier this season. According to present plans they probably will be offered to the public in October.

This was not the intention a month ago. Then dealers, watching sales and decline, were wondering how they were going to get present accumulation of 1938 models out of the way. To give them more time it was practically decided, The Financial Post understands, to delay production of 1939 cars until late November, possibly December.

The upturn in business sentiment, however, both here and in the United States, has changed the whole picture. Instead of worrying about disposing of this year's light output of cars, now manufacturers are apparently preparing to cash in on the improved outlook by getting the 1939 models on the market probably by October or at least a month earlier than usual.

Stock Boom Helps

Recent boom in security markets has helped matters very substantially. Not only has confidence in general business been greatly bolstered, but stock market profits are already reported finding their way into new cars. The good crop now maturing rapidly in western Canada will also help. The net result, it is freely predicted, will be a near record late summer sale of both new and used automobiles.

Now that prospects point to present output being disposed of, manufacturers are looking ahead to the new car year which commences in late fall. Further refinement but no radical changes in design are expected. Indeed this season less than the normal crop of change rumors has been coming out of Detroit. There have been the usual tales of rear engine jobs and a new low-priced car devoid of gadgets. But unless the picture changes decidedly in the next few weeks no really major developments are expected.

No Major Changes

After all, present automotive manufacturing equipment is relatively new, a great deal newer in fact than is found in the average industrial establishment. It is exceedingly doubtful whether there has been much net profit made out of it yet. Furthermore, the public has shown itself rather opposed to radical changes from one season to the next.

When the Taxpayer Turned

Economy-Conscious Nebraska Voters Organized to Fight Extravagances

By R. A. FARQUHARSON
Staff Writer, The Financial Post

Nebraska, where property taxes have been reduced a third without benefit of nuisance taxes, got that way because a group of men really succeeded in selling economy to the voters.

In Canada it is doubtful if the average voter is really concerned about government spending or gives a second thought to railway deficits and unbalanced budgets.

But translate the deficits and the debt-loaded budgets into their actual effect on an individual's wages and it's a different story.

That's what was done in Nebraska. They stopped talking about guarding the state treasury. They talked instead of guarding private pocket books; about pickpocket taxes.

Facts About Spending

They went to the people with facts about government spending. They told voters in high-cost counties how much more money their officials paid for supplies than the officers of low-cost counties. They figured out exactly what inefficiency was costing the individual voter. They figured out the sliding scale in the cost of fence posts, in the cost of notepaper, in the cost of road work.

To do this job in tax relations an active organization was needed. There was formed the Nebraska Federation of County Taxpayers' Leagues. Frank G. Arnold, stocky real estate man who some magazines have christened "World's Champion Tax-Cutter," has been the President since 1932.

At the same time in Omaha, Nebraska's largest and, up until then, its most extravagant city, there was organized the Association of Omaha Taxpayers. Walter L. Pierpont, tall, grey, soft-spoken, is still the president.

Arnold is now out in Colorado, demonstrating, at the request of that state, how it is wasting $40 millions a year in tax money. Hence I did not see the militant tax cutter who put his theories into practice without ever being elected to public office.

But in Walter Pierpont in the busy offices of the Omaha tax association, I found a man who has been equally successful in the fight to save the peoples' money.

The Debt Picture

When Pierpoint's organization was formed in 1932, the city of Omaha, Douglas County and the school board had a combined debt of $30.1 millions. Since then not a new bond has been issued and the debt has been reduced $7 millions.

The State of Nebraska is prohibited by its constitution from issuing bonds, but until the taxpayers took a hand the cities and counties did their best to make up for this deficiency.

One of the first moves of the Omaha Association was to force an amendment to the city charter making it impossible to issue more bonds without a vote of the people.

Not a bond has been issued since. Not a bond flotation is in sight.

"If you stopped the first 10 people you met in Omaha and asked them

(Continued on page 11, col. 5)

Western Crop Will Benefit Can. Pacific

Stands to Gain More from Good Crop Than Its Rival

MOVES MORE GRAIN

From Our Own Correspondent

MONTREAL.—Prospects of earnings of the Canadian Pacific Railway in the current year will not be as low as results for the first six months might indicate.

In the six months ended June 30, both gross and net operating earnings declined about $5.5 millions. If this trend were to continue for the remainder of the year the C.P.R. would probably show a loss for 1938 after all charges, including hotel and steamship depreciation.

However, with a good wheat crop assured for western Canada, expectations are earnings will improve in the latter part of the year. In fact, if a general improvement in business results, the decrease recorded to date may be entirely eliminated.

Grain is Important

Grain has always been an important factor in C.P.R. earnings. Revenue from grain shipments constitutes a greater percentage of its total than in the case of the C.N.R. Furthermore, it handles a larger percentage of the total shipments, approximately 55% in normal years.

In the current year it may obtain an even greater percentage. In the 1937-38 crop year it handled over 54% of all wheat shipments. Yet, the wheat belt of southern Saskatchewan which is almost exclusive C.P.R. territory had no crop at all. This year, southern Saskatchewan will have a fair crop so that the gain to the C.P.R. should be substantial.

In 1937, the C.P.R. reported a decline of $5.8 millions or more than 26% in earnings from grain and grain products. In the current year earnings from this source may be restored to the 1936 level at least.

Expect Greater Volume

Grain handlings of the C.P.R. in 1937 amounted to only 94 million bushels, compared with 143 million bushels in 1936. This constitutes only 39% of the 1925-30 average and 61% of the 1931-36 average.

Grain handlings in the current year will be considerably in excess of 94 million bushels. In fact, handlings of this year's crop are expected to exceed this figure.

Normally, about 65% of the western wheat crop moves before the end of the calendar year. Thus, assuming a 300 million bushel crop this year, 195 million bushels could

(Continued on page 9, col. 4)

Bread Prices Are Reduced

Unbranded Products Cut in Ontario Chain Stores

Price cutting of Ontario chain and departmental stores during the last few months has spread recently to include unbranded bread prices, with the majority of organizations in the province participating in the battle. Prices in some localities have been decreased as much as 2½ cents a loaf, while in other stores the cut has been only ½ cent, depending upon competition.

One of the organizations gives as its reason for cutting decreased costs of materials and the desire to pass along to the public the lower manufacturing costs.

Officials of major bread companies in Toronto stated that no decrease in the selling price of their branded products was contemplated and that the price cuts would be confined to chain stores.

Says Costs Higher

C. H. Carlisle, president of Canada Bread Co., told shareholders at the annual meeting of the company last week that there had been a considerable increase in the cost of materials, but no increase had been made in the selling price to the consumer. Profit on each unit had been held at a low figure of 1/3 cent, he said.

The Atlantic & Pacific Tea Co., which manufactures bread at its Toronto plant, has made varying reductions in price of white bread, its largest "seller," depending upon the area and competition. In some cases the price has been reduced to 7½ cents a loaf.

The T. Eaton Co., whose bread is manufactured by Barker's Bread, has cut its price from two loaves for 18 cents to two loaves for 17 cents.

Dominion Stores has brought down the price of its white and brown bread from 10 cents a loaf to 9 cents. This unbranded bread is manufactured by George Weston Bread and Cakes Ltd.

Loblaw Groceterias has made reductions varying from 1½ cents to 2½ cents a loaf. Their stores are serviced by Canada Bread Co., Purity Bread, Jackson Bread, and other bakeries.

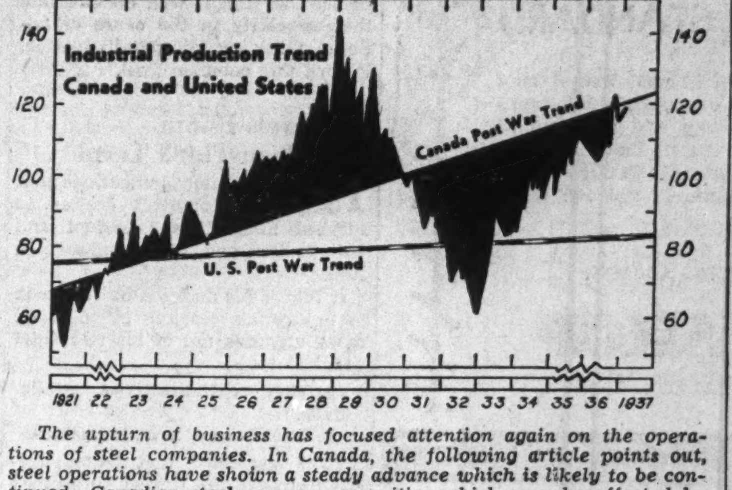
Flour Prices Down

Prices of bread flour are currently quoted at approximately $1.30 a barrel less than at the same time last year.

Approximately 185 standard 1½-pound loaves of bread can be made from a barrel of flour. A change of $1 in the price of flour means slightly more than one-half cent for each loaf, the flour content of which usually costs between three and four and one-half cents. Percentage content of flour in bread is about 27%.

Steel May Set the Pace

Record of Canadian Industry Points to Further Expansion



The upturn of business has focused attention again on the operations of steel companies. In Canada, the following article points out, steel operations have shown a steady advance which is likely to be continued. Canadian steel company securities which may be affected by such an advance are analyzed by The Financial Post on page 4

By W. D. ROSS

Gauged by either the long-term view or the immediate outlook of the next few years, prospect for the Canadian steel industry is one of expansive progress

More than any other industry, steel is the basic essential of industrial progress. It is the major factor in advance of mechanization.

Growth of the steel industry thus performs a double function. It both reflects and stimulates general industrial progress.

Closer Outlook

Decisive pointers of general industrial development in this country indicate further growth. From this growth should come progressively greater absorption for steel production in the Dominion. The industry may have its ups and downs, but the indicated potential trend is one of advance.

The industry's prospect for the visible future is also upward. Prevailing signs relating to chief sources of demand for Canadian steel production justify hope for intensifying this demand.

By comparison with the giant steel industry in the United States, Canada's steel industry is small. But future gains in the United States are certain to represent a small percentage of the total, whereas Canada is entering on the period of greatest growth. Variance of trend of industrial production in both countries is shown by the accompanying chart.

The most prominent feature of the chart is that the long-term growth line of Canada is much steeper than that of the United States. This trend will continue, probably will become even more accentuated.

Most Benefit to Steel

All industries will benefit in varying proportions from this rapid growth. But steel, as the basic industry, should exhibit a greater degree of co-relation with the growth line than other industry.

Steel production in Canada has climbed steadily since the turn of the century, if the exceptional war period is eliminated. In 1929 a peak of 1,378,024 long tons was reached, while the low in the subsequent depression was 339,346 tons in 1932. Since then the climb upward was resumed and in 1937 production was the greatest in history with the exception of 1918.

Production of Iron and Steel in Canada
(In long tons)

	Pig Iron	Steel
1918	1,067,456	1,672,954
1928	1,037,727	1,234,719
1929	1,080,160	1,378,024
1930	747,178	1,009,578
1931	420,038	672,109
1932	144,130	339,346
1933	227,317	409,979
1934	404,995	757,782
1935	599,875	941,527
1936	678,231	1,115,779
1937	897,855	1,401,011

The year 1937 saw two extremes reached in steel production in the United States. From a high of over 90%, operations in the steel industry declined to below 20% in the latter half of the year. In the early months of 1938, they maintained a balance at around 30%. During this period of drastic decline, Canadian production remained at near capacity figures, with only minor declines in the first six months of 1938.

Recent Volume of Production of Iron and Steel in Canada

	Decrease below 1937 level June, 1938	First 6 mos.
Pig Iron	17.7%	4.7%
Steel Ingots	8.2%	6.0%

Serious Handicap

From the standpoint of perfect integration, the Canadian steel industry has always suffered from one serious handicap. This is dependence on sources outside of the Dominion for iron ore. There are large potential supplies of iron ore in Canada. But since 1924 practically 100% of ore requirements have been drawn from the United States and from Newfoundland.

The larger deposits of iron ore in the Dominion are in the form of magnetite or carbonate ore. This must be pretreated or beneficiated before it can be charged into the furnaces. This treatment is rather costly. The concentrated ore so treated cannot compete successfully with the cheaply-mined hematite

(Continued on page 10, col. 4)

Eastern Car Co. Declares $30 Preference Dividend

Eastern Car Co. is understood to have declared a dividend of $30 a share on its 6% preference stock, payable to shareholders of record Aug. 4, 1938. The date of payment has not yet been set. This payment covers full dividends for the five-year period from Dec. 31, 1932, to Dec. 31, 1937.

Eastern Car Co. is controlled by Nova Scotia Steel & Coal and majority of the $750,000 of preference stock is held by Dosco.

Crop Outlook Mixed in West

Improvement in General Picture Greater Than Statistics Show

From Our Own Correspondent

WINNIPEG.—Although harvesting has already started in each of the three western provinces, there is much western grain that will not be cut for another three weeks. This is one fact which adds to the difficulty of estimating crop returns. Another is the spottiness of the crop, for it is possible to find fields within a mile of each other which vary in prospects by at least 10 bushels to the acre.

This year's rains, while reasonably plentiful on the whole, were received largely in the form of local showers. Adjacent areas, even with approximately the same total precipitation, might receive it with altogether different timing. Moreover, rainfall, on the whole, was late this year, and much received in July would have been much more useful in June, when heavier stooling of the wheat plant would have been encouraged. Late sown crops, over most of the country, seem to be doing better than those seeded early, as the actual timing of rainfall better suited their development.

In view of this unusual situation it is not surprising that crop estimates vary widely. Searle Grain Co. places the coming wheat harvest, based on late July conditions, at 350 million bushels. Other estimates range to fully 75 millions lower. There can be no doubt that the outlook is not as good now as a month ago, but until much of the crop is actually harvested, threshed and measured, more accurate appraisal is difficult.

On the whole Alberta's prospects are the most brilliant, and Manitoba's the most uniform for a fair average. But Manitoba will not do so well as last year, when an excellent crop at an excellent price was harvested. Both Alberta and Saskatchewan, and especially the latter province, should do much better than in 1937.

Coarse grains, on the whole, may be proportionately better in yield than wheat. Abundance of pasture and hay crops, and marvellously good yields of vegetables, make the improvement over former years far more important than can be disclosed by any statistics of grain production.

Banks Increase Western Staffs

Among the signs of better times on the horizon is the fact that some of the Canadian chartered banks are increasing their staffs in Alberta and Saskatchewan. This is being done, not by taking on new men but by returning to the prairies men who were brought East last year or before that when conditions in the West were bad. Offices which formerly had four or five clerks were reduced to two or three. Now they are being restored to their former strength. Not only will the handling of the grain accounts entail more work for the banks but the stimulus provided to trade and industry by the new crop will be great.

Check Range Of Supplies For Aircraft

British Mission Surveying Canadian Sources of Materials

TO INSPECT PLANTS

Canada's ability to produce materials and parts used in aircraft manufacture is being checked by the British Air Mission, as well as the Dominion's potential capacity to build complete war 'planes.

Limited information has been made available on the activities and intentions of the Mission, the second to visit Canada in a few weeks. All indications are, however, that the British emissaries will not confine themselves to negotiating contracts for production of British military aircraft in Canada, and arranging methods by which they are to be manufactured and delivered.

Earlier intimations to this effect have been expanded, and any contracts that may be made are apparently to be preceded by further investigation of:

1. Ability of the Canadian aircraft industry to produce, assemble and deliver, with reasonable continuity and dependability in emergency, the machines required to strengthen the R.A.F.

2. The range of materials and parts now being produced in Canada for aircraft manufacture, and whether such supplies can be assured in the volume and of the standards required by British air authorities.

3. Possibility of having produced in Canada at least some of the various parts and materials not now made in this country.

Dependable Supply

The Mission apparently wishes to be satisfied that both domestic or foreign sources of parts and materials can withstand such adverse factors as outbreak of war, pressure of ordinary industrial demand, and limitation of production capacity. They also want to know if materials to be used measure up to British specifications.

Inspection of plants in Montreal, Toronto and elsewhere is planned by the Mission, to supplement the data obtained in conference with Canadian Government officials and representatives of aircraft and auxiliary industries. Such bodies as the Canadian Manufacturers' Association and the Toronto Industrial Commission have offered to co-operate fully in determining capacity of Canadian factories.

Canadian Capacity

Expansion of Canadian aircraft production in recent years has been accompanied by a slow but steady increase in the scope of materials available from Canadian sources. In the main, however, these are finishing materials and small parts. The fact remains that the most essential components of aircraft must be obtained, in completed form or ready for assembly, wholly from England or the United States.

In regard to wood for the framework of fuselage, wings and tail-

(Continued on page 5, col. 6))

Beatty Bros. Sales Higher

Year's Profits Expected to Be Close to Last Year's Level

Sales of Beatty Bros. Ltd. for the year which ends Aug. 31, 1938, are expected to show a small increase over last year. A tendency for costs to increase may mean, however, that the company will not be able to show actual net profits much, if any, above last year's level. On the combined A and B common shares last year, the company earned $1.61 a share, highest level of profits since 1930.

It is believed that sales for most of the company's lines have shown some improvement. Electric washers and vacuum cleaners and other household appliances have been making a good showing. Exports are a little better. The company is hoping for a considerable impetus to its business from the improved crop in western Canada. This, however, will not make itself felt to any extent in the current year.

Beatty Bros. has not paid any dividends on its class A common stock since 25 cents a share was paid Feb. 1, 1932. In view of the two years of more satisfactory earnings, interest in the possibility of some payment being made on this class A stock is reviving. No official dividend announcement can be obtained and it is quite possible that directors will wait until final profit figures for this year are available before coming to a decision.

Highlights of the Week

Steel securities in Canada provide an interesting field for the stock buyer. Steel stocks traditionally are subject to drastic ups and downs. Present conditions in Canada suggest that they may be on the up.

Steel—Recovery Investment—p. 4.

* * *

Fishermen in Nova Scotia have been given some cause for new optimism as the result of the recent Dominion-provincial conference on the fisheries problems. The conference considered the marketing problem and discussed the future of the co-operative movement.

New Hope for Fisheries—p. 5.

Pump priming plans in the United States are likely to prove a factor in keeping Canadian copper stocks in the limelight. The American programme includes electrification projects, automobile production and building, all of which provides new demand for copper.

What's Ahead for Copper—p. 14.

* * *

Turner Valley on the basis of present potential flow is now the largest crude oil field in the British Empire. Its present 22 producers have a potential flow of nearly 19 million barrels yearly, while 38 new wells are expected to be completed in the near future.

Week in Oils—p. 14.

These English Foulards
HAVE SET A STANDARD

Foulard ties, in the opinion of well-dressed men everywhere, lend themselves remarkably to summer attire. These Men's Shop real silk foulard importations are colourful yet have that distinction which spells quality. Park your car in our Parking Lot without charge and come in and see them. Each $2.00 to 3.50.

OUT-OF-TOWN ORDERS ADDRESS:
MEN'S SHOP
BAY STREET SECTION

EATON'S - COLLEGE STREET

B. C. to Enlarge Marketing Laws

Privy Council Decision to be Followed by Extension Plans

From Our Own Correspondent

VANCOUVER.—The British Columbia Government will follow up privy council approval of its marketing legislation with plans to enlarge the scope of the measure and strengthen the administrative machinery. Already there is talk of the establishment of a great dairy produce and vegetable pool in Vancouver which will grade merchandise and distribute it through private agencies. The basic idea of the pool will be to prevent market congestion and establish fair prices by prevention of monopoly and speculation.

President Arthur K. Lloyd of the B. C. Fruit Growers Association, says that the Privy Council's ruling is chiefly important for the grounds it has established for the laying of future plans. The next step will be to obtain through plebiscite the views of the various interested groups of producers regarding the method of maintaining orderly markets. A general stock-taking will probably be held to ensure that only the most reasonable and economically sound methods are used to implement the powers confirmed by the Privy Council.

An application to the Dominion Government will probably follow through the Canadian Chamber of Agriculture to enact marketing legislation implementing that already effective in British Columbia, Ontario, Nova Scotia and New Brunswick for the purpose of controlling interprovincial trade in export of primary agricultural products. Provincial marketing acts, like that of British Columbia, control marketing within a province, according to the British North America Act so the Privy Council rules, but interprovincial and export trade still remain a federal function.

No Serious Hitch In Trade Parleys

(Continued from page 1)

Great Britain and British manufacturers, wants to come into the Ottawa Agreements bloc. In return Washington would give individual tariff concessions to the United Kingdom and the various Dominions. Unfortunately, however, in the current negotiations only one of these Dominions, Canada, is actually represented and in a position to negotiate.

Long range and somewhat unsatisfactory talks have had to be held with Australia and recently even these unofficial negotiations have broken down, largely, it is believed, over wool. If Australia was to share the U. K. market with United States in the matter of dried fruits, wheat, etc., then Australia wanted in compensation a lower American tariff on wool. United States would probably have been willing to give this but in a later and separate agreement. In the meantime Australia would be giving, via the United Kingdom, agreement something definite in return for an unofficial promise.

Now the agreements for the time being will have to be limited to the three main principals but nevertheless The Post is assured that they will be the most far reaching ever attempted by any of the three countries involved.

As previously outlined Canada hopes to achieve wider outlet for farm and natural products, lumber, cattle, fish, meats, vegetables, base metals, etc., in United States. In exchange this country will probably waive any objection to sharing with the United States, the U. K. market for farm and natural products, many of which are of different season or type to Canadian.

Undoubtedly certain direct tariff concessions will also be made. Details regarding these are kept strictly secret. What is most generally expected, however, is reduction or elimination of the present 3% import tax reductions in the present tariff on textiles, fruits and vegetables.

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H. C. GRIFFITH, M.A., LL.D., Headmaster.

The Nation's Business

(Continued from page 1)

tional unity that struck a powerful and constructive note quite equal to that sounded last week in the Corps Association resolutions.

This leads to the question: "Why cannot these two organizations work together toward this common ideal?"

At the moment there is an estrangement on the holding of this Toronto meeting. Whether the apparent success of the Corps Association reunion will mean an open break between the two bodies remains to be seen.

Even if there is competitive pressure for membership among the two bodies they might well demonstrate their sincerity in the cause of national unity by co-operative effort toward this common goal.

* * *

Roosevelt Boom May Mean Third Term

THERE are many indications that President Roosevelt desires to succeed himself as President and will, to that end, be a candidate in 1940.

If that is his decision he will seek to ensure his election by an even more vigorous use of his two chief political tools:

1. The expenditure of public funds.
2. The abuse of private business.

It is suggested that federal expenditures in the United States may never again fall below $8 billions yearly. Certainly they will not under Roosevelt. As the economy does not produce tax revenues in any such amounts, a progressive piling up of public debt is inevitable.

Money to buy government bonds will be "created" by monetary manipulation, which in the long run means an inflation and all the things that inflation implies.

There are few classes of business enterprise left for New Deal muckraking. Perhaps that is why competent observers expect to see even such a communal enterprise as life insurance put to the thumb-screw of New Deal and Congressional "investigation."

* * *

THE two tenets of New Deal political practice are mutually exclusive. The government seeks to raise more money and seeks also to hamper the enterprise of the groups who are most responsible for creating wealth capable of being taxed.

Inevitably the growth of the Roosevelt third-term boom must point to a lowering of the standards of living of the American people. Such can not be avoided because the Roosevelt programme—taxes plus inflation—implies a struggle for existing national wealth rather than emphasis upon creating more wealth.

There was some hope earlier in the year that the more conservative groups among the Democratic leaders might gain in the mid-term elections this fall. Present results in the primaries no longer encourage this hope. Roosevelt is still master in his own house.

Canada cannot avoid the impact of New Deal events, which will influence our social and economic life and encourage emulation of American excesses by demagogues among our own politicians.

BIG SALES JOB AHEAD

George McIvor, chairman Canadian Wheat Board, and R. V. Biddulph, European commissioner for the board, were guests at the Seigniory Club, Quebec, recently. On these two officials will fall chief responsibility for marketing Canada's coming wheat crop and especially so if as expected the bulk of the crop is delivered by farmers to the board for disposal.

Nova Scotia Steel and Coal Released From Receivership

From Our Own Correspondent

MONTREAL. — Discharge of receivers and liquidators of Nova Steel and Coal Co. and permanent stay of liquidation proceedings have been granted by the Supreme Court of Nova Scotia.

This is the final step in reorganization proceedings approved by security holders in April. Immediate steps will be taken to arrange exchange of bonds, debentures and preferred shares for new securities as provided by the reorganization plan.

The Supreme Court has also approved accounts of receivers and liquidators and fixed remuneration at substantially less than the amount sought.

Receivers' Fees Reduced

Eastern Trust Co. and Hon. Gordon W. Scott, joint receivers, applied for total remuneration of $220,000, but this was reduced by the court to $80,000. Since $70,000 had already been received only an additional $10,000 will be paid. Of the $80,000, the Eastern Trust Co. receives $45,000 and Hon. Gordon W. Scott, $35,000. The court expressed the opinion that the $150,000 sought by receivers in addition to the $70,000 already paid was extravagant.

Eastern Trust Co. and D. H. MacDougall, as joint liquidators, applied for remuneration of $60,000. This was reduced by the court to $12,000, of which $9,000 is to go to the Eastern Trust Co. and $3,000 to Mr. MacDougall.

In fixing remuneration, the court pointed out both receivers and liquidators received their out of pocket expenses. In addition, they each received $3,000 as directors of Eastern Car Co. and D. H. MacDougall received $53,100 for his services as technical adviser and $15,000 as managing director of Eastern Car Co.

Recently there has been some opposition to the reorganization plan by organized labor and a royal commission to investigate the plan has been suggested. Opposition has also been voiced by Alex McGregor, a member of the bondholders' committee.

The Prairie Moving Day

Drought Farms Abandoned to Make Way for Community Pasture Tracts

From Our Own Correspondent

REGINA.—The Prairie Farm Rehabilitation Board will soon have one million acres of marginal and submarginal land under community pasturage scheme in 39 distinct locations in Manitoba and Alberta.

This will allow segregation of approximately 25,000 head of cattle on soil, once poor farm land but now turned into range country. An allowance of 40 acres per head of cattle is being made for year-round feeding.

Moving Families

Operations by the P.F.R.A. under the scheme to remove marginal lands from wheat production involves the removal of families from the poorer soil to a type of soil that will be productive and enable the family to become self-sustaining. This removes a family from relief rolls in time.

The marginal area when cleared of people is turned into one large block and the 16 pastures already operating in the West have a fence mileage of close to 350 miles. It is understood that in some cases delay has occurred in obtaining title or control of sufficient acreages to tie in with the local irrigation schemes.

The scheme is worked in co-operation with the Provincial Government. A municipality desiring a community pasture makes a rough survey of the proposed area and applies to the provincial land utilization board which checks for land ownership and if there is sufficient area controlled by the municipality or the Crown to make the plan feasible it is turned over to the P.F.R.A. which makes a detailed survey and investigates the possibilities of moving the people. When it is sufficiently well-advanced to seek approval, a recommendation is made to Ottawa for final decision.

Local labor is used in fence construction and as a new departure the P.F.R.A. has ordered 80,000 cheap poplar posts treated with bluestone for fencing purposes. Five-strand four-point barbed wire is used.

Pasture Regulations

Pastures are under regulation on such matters as conservation, overgrazing and a beef breeding policy. Each community decides on what beef breed they desire to develop and the Government provides bulls, providing the requirement falls under one of the three beef-breeding classes.

Object of the P.F.R.A. is that these community pastures will in time become selfsupporting and become recognized as beef breed centres so that buyers, in the United States, Canada or Britain, will know where to get the breed they seek.

Next year Saskatchewan may have a pasture 54 miles wide and 36 miles deep in the southwest corner of the province. The 54 miles will run along United States boundary from the Alberta border and will swing north 18 miles then turn east for 19 then north another 18 and then west to the Alberta boundary. There are few families living in this area now so it will not be a matter of mass movement to clear the land.

The municipalities involved will cease to function as units and the only roads that will be maintained will be trunk roads, the rest will be included within the fenced area.

Municipal Finances

Walkerton, Ont.—Assessment of Bruce County will be raised by $676,290 increasing to $29,315,320 from $28,639,030. The increase followed report of a special committee on equalization.

* * *

Simcoe, Ont.—Tax rate reductions and a balanced budget for 1938 was presented to ratepayers of Simcoe by the town council. The rate will be the lowest since 1921, amounting to 36 mills on $4,095,230, and other levies of 12½ mills on schools, 1½ mills on relief, and 14 mills on $453,040. The 1938 rate is seven mills below that of 1936 and three below 1937.

* * *

Geraldton, Ont.—A tax rate of 58 mills has been struck by the council for 1938, composed of: School debentures, 2.2 mills, school board, 5.6 mills, and a general rate of 50.2 mills.

* * *

Deloraine, Man. — Statements for the fiscal year ended Dec. 31, 1937, show an excess of revenues over expenditures of $1,328, which has been carried to the credit of surplus account. Total operating expenses amounted to $18,515, as compared with $18,562 for the previous year.

* * *

Toronto, Ont.—A net operating income of $3,817,803 was shown for the Toronto Hydro-Electric System for the year ended Dec. 31, 1937, derived from a gross income of $12,953,100, less cost of current and management and operating expenses of $9,135,296. After depreciation, taxes, sinking funds, debenture retirements and reserve for fixed charges on assets of adjoining municipalities of $3,707,631, $110,173 was carried to reserve for stabilization of rates.

Net funded debt due to the City of Toronto, at Dec. 31, 1937, less sinking funds, amounted to $13,580,037. Fixed assets of the system totalled $44,056,877 and an equity of $15,431,837 in the sinking fund of Hydro-Electric Power Commission of Ontario was shown in the balance sheet. Current assets amounted to $4,235,191, and current liabilities, $1,846,874.

* * *

Chicoutimi, Que.—Payment of six months interest due May 1 and June 1, 1935, on bonds and annuities matured May 1, June 1, Nov. 1, and Dec. 1, 1933 and 1934, has been authorized. Non-registered holders are asked to send their securities to J. E. Blackburn, treasurer, City Hall, Chicoutimi, Que.

* * *

Windsor, Ont. — Current revenue of Windsor for the year ended Dec. 31, 1937, totalled $4,673,133, and current expenditures, excluding reserve for uncollectible taxes, amounted to $4,530,879. Total bonded debt of the city at the year end was $33,575,362, and sinking funds on hand were $3,176. Total assets amounted to $35,579,477 and total liabilities to $34,029,415.

Volume of Trading Rises at Montreal

From Our Own Correspondent

MONTREAL.—Turnover of industrial shares on the Montreal Stock Exchange during July was the highest monthly volume since October, 1937. A total of 1,106,606 shares were traded.

The July volume was substantially above both the previous month and the same month last year. In June, industrial turnover was 704,892 shares and in July, 1937, a total of 638,762 shares were traded.

Trading in mining shares also increased. During July a total of 1,696,694 mining shares were traded as against 1,170,436 shares in June and 1,036,208 shares in July, 1937.

Combined volume totalled 2,803,300 shares, which compares with 1,875,328 shares in June and 1,674,970 shares in July last year.

Robert Mitchell Co.—The advance in the common shares of this company recently reflects market expectations that the company will benefit from any airplane business placed in Canada. It makes aluminum castings used in the manufacture of planes. Volume of business has been maintained above the 1937 level.

Walkerville Brewery Sales on Better Basis

Sales of Walkerville Brewery Ltd. for the first five months of this year show moderate improvement over the like period in 1937. Returns for June are expected to show continuation of the upward trend. Prospects are better and improved results looked for in the last half of the year.

Recently the company completed construction of a new ale cellar with a capacity of 82,000 gallons.

Third 2½-cent dividend was paid July 15, following the initial payment early this year.

Dominion Foundries To Build Pipe Lines

Laying of pipe lines for direct conveyance from the waterfront of oil and water supplies for its furnaces and rolling mills is being undertaken by Dominion Foundries & Steel Ltd., Hamilton, Ont. Approximately $100,000 will be spent on the work, approval for which was recently given by civic authorities. The project is part of the current programme for expansion and improvement of the company's buildings and equipment.

Investors' Index

INDUSTRIALS AND UTILITIES

Agnew-Surp.	7	Distil. Corp.	4
Allied Bakeries	9	Dom. Fdy.	2
Amer. Cyan.	10	Dom. Stores	7, 9
Anglo-N'f'dland	12	Donnacona	12
Asbestos Corp.	5	Eastern Car	1
Beatty Bros.	1	Fair.-Morse	4
Beauharnois	4	Ford Motor	10
Canada Bread	7	Foundation Co.	2
Canada Dry	4	Gen. Steel	5
Canada Wire	4	Howard Smith	4
Can. Carriage	5	Hull Elec.	2
Can. Converters	10	Int.-City W. B.	5, 9
Can. Inv. Fund	4	Jamaica P. S.	4
Can. Locomotive	10	Lake Sulphite	12
Can. Pub. Serv.	7	Mackenzie Air	1
Can. Vickers	10	Ont. Steel	7
Can. Vinegars	5	Paramount Pic.	4
Can. Wallpaper	12	Prov. Transp.	9
C. N. R.	7	Robt. Gair	12
Cockshutt	10	Steel Co.	3
Conduits Nat.	4	Trans. & Pr. Co.	10
C. P. R.	7	Walker. Brew.	2, 5
Credit-Foncier	5	Wilder Realty	5
Cub Aircraft	9	Windsor Hotel	5
de Havilland	10	Winnipeg Elec.	10

MINES AND OILS

Arntfield	13	Island Mount.	14
Aug. Porc.	13, 14	Jack Waite	9
Bagamac	13	Lake Dufault	13
B. E. A. R.	13	Macassa	9
Can. Mal.	14	Maniwaki	13
Cataraqui	14	McDonald	14
Cent. Cad.	13	New Gold. Rose	13
Chesterville L.	14	Noranda	13
Cobalt Cont.	13	Perron	13
Dorval Siscoe	14	Pirate	14
Do. So. Yellow	14	Preston East	13, 14
Dusquesne	13	Que. Eureka	14
Earngold	14	Rand Mal.	13
Falconbridge	13	Shenango	14
Fawn Min.	13	Shirlac	14
Flavrian	14	Siscoe	14
Gillies Lake	14	Sullivan Cons.	13
Grace-Larder.	14	Upper Can.	14
Hedley Mascot	9		

QUOTATIONS

Bonds	8, 9	Industrials	8
Grain	9	Mines & Oils	8
Foreign Exchange	7		

REGULAR FEATURES

Banking	11
Bond Markets	5
Commodities	7
Construction	12
Editorial	6
Insurance	11
Investment Trends	4
Investors' Enquiries	10
Market Opinions	4
Pulp and Paper	12
Week in Business	7
Week in Mining	13
Week in Oils	14
Week in Wheat	9

Hull Electric Co. Signs New Tramway Contract

From Our Own Correspondent

MONTREAL.—Hull Electric Co., subsidiary of Gatineau Power Co., has entered into a new agreement with the City of Hull. The new contract affects tramways operations only and provides for a continuance of the five-cent fare.

The company agrees to improve the bus service from Hull to Val Tetreau and that at least 85% of the company's employees will be residents of Hull.

N.B. Fisheries Output Higher

Sardine Catch Drops 36% and Lobster Catch Increases 28%

From Our Own Correspondent

MONTREAL. — Output of New Brunswick fisheries in 1937 had a market value of $4,447,688, compared with $4,399,735 in 1936, according to a report released by the Dominion Bureau of Statistics.

The sardine fishery is of chief importance, with the lobster fishery not far behind. In 1937 the market value of output of the sardine fishery was $1,525,602, and of the lobster fisheries $1,089,002. The catch of sardines was much less in 1937 than in 1936, the decrease amounting to 87,526 barrels, or 36%. The lobster fishery, on the other hand, recorded an increase of 16,087 cwt., or 28%.

The quantity of fish of all kinds, including shellfish, caught and landed by New Brunswick fishermen in 1937 amounted to 1,390,005 cwt., with a landed value of $1,910,610. This compares with a catch of 1,593,261 cwt., and a landed value of $2,099,754 in the preceding year. The average price per 100 lb. at the point of landing for the catch as a whole was $1.37 compared with $1.32 in 1936.

The value of capital equipment in the primary operations of catching and landing fish is placed at $2,290,003. The number of men employed in these operations in 1937 was 13,920, compared with 14,207 in 1936.

The capital invested in establishments engaged in preparation of various fish products is $2,405,362. The number of plants in operation last year was 126, this comprising 79 lobster canneries, 11 clam canneries, 3 sardine canneries, 26 fish curing establishments, five freezing plants and two reduction plants.

Foundation Co. Gets Three Large Contracts

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has recently been awarded three contracts aggregating $580,000.

From the Dominion Department of Public Works the company has a $180,000 contract to construct a breakwater at Brooklyn, N.S.

The Quebec Streams Commission has awarded the company a $200,000 contract for the renovation of the Gouin Dam on the Upper Ottawa River. It has also secured contracts for construction of a three-story addition to the Guardian Trust Co., Montreal, and erection of a boarding house at Baie Comeau for Crawley, McCracken. The latter two contracts are for $90,000 and $110,000 respectively.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Fredericton, N.B.	Aug.	Eastern Securities Corp. and Geo. W Brown & Co.	[illegible]	1958	$40,000	99.13	3.56%
Sherbrooke R. C. Sch. Com.	Aug.	Banque Can. Nationale	3½%	1938-53	$50,000	99.78	3.52%
Dominion—							
Canada Treasury Bills	July		..	Oct. 1	$25,000,000	99.871	0.501%

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New Books

Bigness and Prices

INDUSTRIAL PRICE POLICIES AND ECONOMIC PROGRESS. By Edwin G. Nourse and Horace B. Drury. Published by the Brookings Institution, Washington. Price $2.50.

Most important of the conclusions arrived at by the Brookings Institution, after its momentous study of "Income and Economic Progress," was that the standard of living of the people could be more effectively raised by a progressive reduction of prices of manufactured goods than in any other way. This presented a real challenge to every industrial executive. It made it clear that, if our system of competitive industrial capitalism was to survive, there must be no reluctance or delay on the part of the businessman in passing on to the consumer the full benefit of the economies of technological improvements and of mass production methods.

The Brookings Institution carry their study farther in this volume, which also displays the unique combination of common sense and scientific analysis which made the four volumes of the "Income and Economic Progress" an epic achievement in the field of business literature.

How Prices Are Made

The manner in which industry arrives at or fixes prices in the United States is studied with precision and thoroughness. The two authors conclude that business as a whole has much to learn from the larger units in industry, which have progressively lowered prices, and have with but few exceptions passed on to the public the benefits of their great buying, producing and merchandising power.

The book contains some reflections upon "bigness" that ought to have a sobering effect on eager reformers. For it is clearly shown that, in most cases, consolidations and groupings have been quicker to reduce prices, and thus to enhance the buying power of the public, than have smaller concerns. The latter have not the same financial strength to make price cuts in advance of lowered costs, counting on increased production to justify the bold and progressive policies.

What is clearly demonstrated by Messrs. Nourse and Drury is that competition today is more and more a competition between different kinds of commodities and services for the consumer's dollar. Individual makers of a single commodity can join to hold up prices only at the peril of losing their entire market to another commodity or service. This is the public's protection against monopolistic price-raising practices.

The industrialist will find this as helpful and challenging a volume as the economist or student of sociological affairs.

The Class Struggle

WHAT ARE WE TO DO? By John Stracney. Published by the Ryerson Press, Toronto. Price $3.

The businessman or student, holding orthodox views, believing in the ultimate triumph of individualism over collectivism, is sticking his head in the sand if he is not a regular reader of the works of John Strachey.

Strachey is a Communist. He is no Fabian Socialist, or gradualist, believing that his ideal Socialist world can come through slow progressive workings of democratic machinery. It will come, it must come, he believes intensely, through the workers' revolution. This means inevitably the establishment, for an indefinite period, of a proletariat dictatorship. The workers must rule and the property owners must be the under-dogs.

Any one who reads Strachey will realize what Communism stands for—dictatorship, class war and the execution block.

What makes it important to read Strachey is that he is the most competent spokesman in the British world today for the views of the revolutionary Socialist group—who see the class struggle as the most real thing in the world today. He writes exceedingly well. He has a splendid knowledge of the history of social struggle. He is always good-tempered and does not resort to the type of abuse of individuals, groups and parties that is the stock-in-trade of most revolutionary writers.

Communism Growing

Throughout the world the number of followers of both Communism and Socialism is growing. They are becoming an increasing force in the political life of every country—except the Fascist dictatorships where they are temporarily submerged. Throughout the world the Labor parties are trying to determine their course of policy. Shall they strike now for what they want or shall they seek to reach their objectives by quiet, orderly, democratic means? Strachey speaks for the more impatient sponsors of direct action. Who will deny that it is not important even for those who bitterly resent his views, at least to know the philosophy that is being preached to the masses by the revolutionary socialists?

Features in the August Issue
THE CANADIAN CHARTERED ACCOUNTANT

- Brewery accounts
- The problem of uniformity in financial accounts
- Progress in accounting
- Exchequer Court decision—the Riedle Brewery case
- Dominion income tax amendments
- Accounting terminology

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London Calling

by Atticus

The Corporal Sends His Captain to Convey A Message to the British Foreign Secretary

PRESIDENT M. LEBRUN

LONDON. — London is not as neighborly as cities, shall we say in Canada or Australia. Therefore there is no curiosity when a visitor arrives at the door by taxicab and disappears into the house. Nevertheless if I had lived in Eaton Square next door to Lord Halifax and had known that Captain Wiedemann was coming to see him, I think I would have looked through the curtains with the most intense if unpardonable curiosity.

Let me confess that before last week the name of Captain Wiedemann was completely unknown to me. The giants in the Nazi party so fill the eye that there is no room for the lesser men to register. The announcement that he was Herr Hitler's A.D.C. suggested to the mind a young officer with that agreeable vitality and attractive appearance which so delights the German nation. Probably the fact that he had been sent on a confidential mission (his visit was apparently a unilateral action on the part of Herr Hitler and was unknown to his colleagues) would have induced us to add the quality of unusual intelligence to his purely military qualifications.

Actually, Captain Wiedemann is not young—or at least he is not a youth. He is about 50 years of age, dapper, good humored, tolerant, shrewd and definitely not a fanatic. The question then arises: "How did this middle-aged man inspire such confidence in Der Fuehrer? How did he find the chance to demonstrate to his leader that he could be trusted with the most delicate missions, that his loyalty was absolutely impregnable and that he was completely fearless?

The explanation is an interesting one. Captain Wiedemann was Herr Hitler's company commander in the war. One would have to turn to the extravagances of Dumas to find any story to match it. The exploits of Hitler in the war are somewhat vague, but it is known that he was a battalion runner. In that capacity and later as a corporal he would have come into closer contact with his officers than the ordinary private soldier. Obviously his Captain stood the test of personal contact. The strange, sad-eyed Austrian soldier no doubt found in his officer the qualities which he most admired in men.

When the war was over, Captain Wiedemann took no part in the political turmoil of the country and displayed nothing more than an academic interest in the attempt of his former corporal to became a new Bismarck. Hitler, however, had not forgotten his officer and the two men became friends. With a direct appeal that few men have been able to resist, Herr Hitler tried to induce Wiedemann to hitch his wagon to the Nazi star, but it was only with reluctance that the ex-officer finally succumbed. Actually it was in the period following the famous purge that Hitler pleaded his need of men whom he could trust and the Captain finally signed on in service to the Corporal.

One must beware of stressing the mere melodrama of events, but has the whole library of imaginative literature anything to surpass the story of the messenger who ran messages for his captain in the war sending his officer to London 20 years later to convey a message from himself as Reichs-President to the British Foreign Secretary?

* * *

The King's Host

When Monsieur Lebrun visits London next spring just before the expiration of his office he will not come as a stranger. That is not a mere polite platitude. It has the merit of being a fact. The newsreels as well as the newspapers have made the British public thoroughly familiar with the distinguished and kindly President of France. With that admirable logic of the French which so seldom fails them, M. Lebrun will agree that it is not easy for the normal British citizen to recite at any given moment the principal political figures and their posts in France. The other day when lunching with Sir Robert Vansittart and his exquisite wife I remarked on the difficulty of the permanent head of our Foreign Office being confronted with so many changes of Foreign Secretaries. Sir Robert agreed that there was something in the point. "But what about the French Foreign Office?" he asked. Occasionally this bewilderment as to the personalities at the Quai d'Orsay has even extended to the Elysée.

Not so, however, with M. Lebrun. His humanity, his simplicity and his dignity had made a deep impression on this country long before the Royal visit to Paris. His virtues are those that the British public esteem most highly—the statesman who puts his duties as a citizen before everything else. It was this basic simplicity of spirit that gave such meaning to his words last year when he said that there were nations in the world departing "from those eternal principles for which humanity has fought and suffered through the ages; principles of liberty, of right, of justice, of respect for individuals and fidelity to the pledged word."

His father was a small farmer and when it is possible to be away from Paris the President returns to the country and renews his soul by living quietly and unostentatiously in the setting from which he sprang. Madame Lebrun speaks excellent English, and like a good wife—and France is full of good wives—she believes that what her husband says is wise and that what he does is right. Thus is their domestic happiness complete. He has never been a spectacular figure in politics but the French nation finds comfort and confidence in one whose virtues have their roots deep in the earth.

Because of their lovable qualities, because they represent all that is best in France and because of their overwhelming kindness to our King and Queen, the British people will take M. Lebrun and his wife to their hearts when they come to London next year.

* * *

At the B. B. C.

It is a popular conviction that dictators have no successors. When they depart they are followed by chaos. History can support that contention but it is not infallible. For example, Sir John Reith was an absolute dictator but already his successor has been nominated and there are no signs that the B.B.C. is going to collapse.

The appointment of Professor Ogilvie is in the modern tradition. While it has not produced anything as good as Mr. Churchill's comment when a certain minister was appointed: "It must be a typist's error," it is still one of the big surprises of the year. The theory of the field-marshal's baton in every announcer's attache case does not apparently apply at Broadcasting House. In fairness to those men of experience who have been passed over, one must confess to a certain regret that the ruler of the air waves had to be found outside the broadcasting ranks.

Professor Ogilvie is said to have charm. As a son of the manse he will lack neither purposefulness nor realism. I like the fact that he once played the piano well, although now his war wounds leave him only one hand for the keyboard. Still more do I like the story of the house-warming which he gave to some 80 builders and decorators on the completion of his house. All this bespeaks sense and sensibility which do not always abide in the same soul. Even so one cannot discover why he should have been chosen as the nation's Provider-in-Chief of entertainment. It remains for the Professor to justify that choice and he will at least start with the good wishes of the whole nation.

* * *

Queen Marie's Death

A few weeks ago when I was in Roumania we left the train at Sinaia in order to complete the last 70 miles to Bukarest by car. Hardly had we started when a torrential storm overtook us and the lightning came on us. My companion, M. Paul Zanesco of the Roumania Foreign Office, suggested that we should seek sanctuary in the summer palace of King Carol. The attendants let us in and from the balcony we watched the storm expend its fury while the thunder reverberated through the mountains as if a gigantic boulder had escaped and was hurling itself madly against the imprisoning mountain sides. It was here that Queen Marie had her own palace and it was to this spot that they brought her to die. How swiftly events can give background to a place.

It was in Sinaia, intended as a retreat, where the cares and the heat of Bukarest could be forgotten, that M. Ducas, the prime minister, was assassinated by the Iron Guard. It was at Sinaia that King Ferdinand gathered his Cabinet together and decided to enter the war on the side of the Allies. There is a week-end casino there as well, but the gamble of the fates makes the play of the tables dull by comparison.

It was Queen Marie who had forced her country into the war and, when the gamble failed, she met misfortune with a high courage.

LATE QUEEN MARIE

When the remnant of her army was retreating from the overwhelming onslaught of the enemy she was utterly tireless in her white costume when, half nurse, half nun, she tended the broken bodies and spirits of her subjects. No one who knew her could deny the amazing qualities which she possessed.

She was perhaps the only monarch in history who could really write so that people wanted to read, and in decoration and in dress, she had the flair of the connoisseur, with a sense of drama. If she had been born in a cottage, she would have emerged to become a star in some creative realm. But her dramatization of life was in no sense insincere. Her truth, her loyalties, were fibrous, and she was as democratic as she was regal.

Riding fearlessly as Colonel-in-Chief at the head of the Hussars, she was in perfect unison with her horse and had no use for an animal whose spirit was less exuberant than her own. And her capacity for work was quite astonishing. She would rise at five in the morning to deal with correspondence, answering the humblest in her own hand. Indeed Roumania was a huge constituency of which she was the Royal M.P. Her love of adventure was undying and her philosophy of life was frankly tuned to it. She did not escape criticism but refused to wither under it. "If democracy wants Queens," she once said, "let them be real queens and real women."

I would like to think that when she came home to her beloved mountains the lightning and the thunder greeted her, for her spirit was in tune with the untamed elements.

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Avoiding Investment Errors

(Continued from page 1)

deteriorated. "Common stocks as long-term investments" is a latter-day thesis that has also led many to financial ruin.

Must Acquire Perspective

Perspective is what must be acquired. The pressure of present-day events and the psychology of the moment in tending to distort a sober, long-range view prevent unemotional analysis. It is not when the motor and steel industries are booming that the United States Steel Corp. and General Motors Corp. should be regarded as investments. And not when the steel industry is barely moving and the motor industry struggling to sell cars are United States Steel and General Motors "pure gambles." Guard against the speculative moods prevalent at the tops and bottoms of cyclical business activity.

Never put a halo around a stock—whatever is the favorite of the moment. Conditions change and the stock that promised to be the prop may be the tragedy of an old age. Against too great a reliance on or too ponderous an investment in a single issue diversification has proved the best insurance to date.

No hard and fast rule, certainly no chart prognostication, or, in fact, no mathematical formula, is an Aladdin's lamp. There is hardly a time when chart theorists do not disagree on the interpretation of so-called intermediate trends. Preoccupation with short swings can divert attention from the main trend, so disregard short swings for fear of losing main trend position.

Too Frequent Switching

It is also well to be on guard against too frequent switching. Switching from one stock to another, if a strong movement is under way, rarely profitable and opens the way for two possible errors, viz., selling and buying the wrong stocks and at the wrong time. As all stocks do not move together, impatience over the apparent backwardness of an issue is what causes so much inopportune jumping in and out.

Stick to stocks concerning which you know most or where information is most readily available. "Far fields look the greenest," and the temptation to speculate on the unknown is insidious. Patience and judgment with respect to stocks carefully chosen should, in the long run, yield greater profit than what may be garnered from transitory movements.

Beware of greed and envy. Both have proved the undoing of otherwise reasonable individuals. Though the story of how much this or that person made is bound to be jarring, the chances are that such stories of quick riches have been greatly exaggerated. To keep one's balance when the market is boiling just remember how long it takes to increase capital by the simple law of interest.

Turn Quickly With Tide

Excited markets should always intensify the decision to act. After a long decline or protracted rise it is usually the wisest policy to turn quickly with the change of tide.

Worst of speculative human traits is an exaggerated ego, and the worst of all egos is pride of judgment in the stock market. Don't quarrel with the tape. Try to remain deaf to the clamor of the marketplace. Exercise prompt, firm judgment, and, trite as it may sound, aim to sell only when business is booming and to buy when the low level of business indexes is everyday gossip.

The stock market has no past. It lives for the future only. Previous prices count for nothing. The investments of today may be the trash of tomorrow, and the gambles of today may be the investments of a few years hence. Hence, always try to look ahead.

Reflecting the judgments and decisions of thousands of individuals and institutions, the stock market is in a position to see all, to hear all, and, generally, to know all. Sometimes, as in 1929, it is slow to register a forthcoming earthquake. In 1937 it was tardy in discerning a recurrence of the 1919 inventory problem. But if it holds its ground against a torrent of bad news or refuses to respond to myriad favorable developments, then it has a message which though difficult to understand at the moment will later on be clear to all.

During the World War the stock market, as the German successes on the Marne multiplied, refused to give ground, implying that Allied successes were to be the aftermath. The American bank holidays of 1933, the market showed, were not a prelude to chaos, but the beginnings of a new business revival. The break in the spring of 1937, in the face of the most brilliant earnings and business news, was the forerunner of the disastrous 1938 deflation in the United States. And the stubborn strength of equities in the spring of 1938, notwithstanding a virtual collapse of business activity and of earning power, heralded an upturn in commodities and in business.

Know Your Own Stocks

Know as much as possible about the stocks you own.

Now that manipulation is banned and stocks cannot be artificially carried to absurd extremes, apply mathematics to your speculation. Recognize that a $2 move from a $10 level,, or a 20% fluctuation, is the equivalent of 20 points for a $100 stock. In the long run the laws of mathematics can be no more safely defied than the laws of interest in the stock market.

Study the performance of individual stocks. A better or worse than average appreciation or loss during a well-defined trend for some months should prompt fresh investigation, and, though switching is to be avoided as far as possible, there is no point in staying with a lost cause. Persistent investigation may uncover subsurface developments that the market has been measuring.

Speculation No Exact Science

Never let stocks run over 10% against you. As that used to be the old-time margin, to allow a loss of over 10% to pile up is to disregard the cynical axiom of "sell on the first margin call." If the market has proved your judgment wrong, admit the error promptly.

Never speculate for a specific financial need. To do so is to act impulsively—to "press," as golfers would have it. The motivation in such circumstances will be emotional, with the twin elements of patience and judgment conspicuously lacking. In 99 cases out of 100 the timing will be wrong.

The stock market can do anything. It can rise on what appears to be the most discouraging news and it can fall on what purport to be the most stimulating developments. Its perversity in this respect is simply born of its disregard of the momentary and its recognition of the far future.

What is true of the market has virtually become true of economics. The most cherished tenets of that science have been shattered in the past few years. In The New Republic of Sept. 15, 1937, Chester T. Crowell, who counts himself a practical economist for a quarter of a century, pokes fun at "The Learned Economists." Twenty years ago the economist knew "positively that there was no such thing as going off the gold standard," and, the author goes on to say, "at present most of the nations of the earth are off the gold standard. And virtually all of the recovery from the depression is taking place in those nations." Italy, it was declared, couldn't carry on an Ethiopian war with a $300,000,000 gold reserve, and yet it succeeded. He says further, "At this moment Russia is the second gold-producing country of the globe. And Russia doesn't believe in gold." It may help in the whirligig of today to dwell on one of his sentences: "In economics we are beginning again from scratch." In other words, economics as well as the stock market is no longer susceptible to old-fashioned, hard-and-fast conclusions.

Thus openmindedness and flexibility of judgment are what are needed to produce successful results in a market where the unexpected can always happen. While study and reflection should be taking place all the time, act one must, and quickly, when the time comes. Thousands of other people are pitting their judgment against yours. If opportunity is knocking, one can be sure that plenty of individuals are listening. No engraved invitations or specific dates for buying and selling are ever sent out from the stock markets.

Sell Sometime or Other

Never forget that all market profits are "paper" until collected. A $1,000 or $100,000 paper profit can soon turn into a loss from mental lethargy or indecision.

Inasmuch as 99% of speculators trade on the bull side, get out somewhere while the going is good. For most people a bull market is like a trip in an elevator. Floor after floor is called out by the starter, but few emerge. Finally, to continue the metaphor, the elevator reaches the roof as the bull market is culminating. Then the machinery breaks, the car plunges to the bottom of the shaft, and the passengers—most of them badly injured—struggle to climb out of the wreckage that a bear market has brought.

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Steel Co. Sales Below Last Year

Value of Sales to Date Greater Than in 1936 Period

From Our Own Correspondent

MONTREAL.—Shipments of the Steel Co. of Canada to date compare unfavorably with the unusual demand of last year, but the proportionate decline was less during the second quarter.

In a statement to shareholders accompanying the regular quarterly dividend cheques, Ross H. McMaster, president, states sales will exceed those of the same period of 1936 in value. Contrasted with the state of the steel industry in the United States, business conditions in Canada may be regarded as quite satisfactory, according to Mr. McMaster.

In view of crop prospects, expectations are a more active demand will be encountered in the fall months. It is further hoped the lower steel prices recently established will encourage consumption.

Trans-Atlantic Tests

Composite Aircraft May Solve Refuelling Problem For Planes

Resumption of the test flights for the projected transatlantic air service is being featured by demonstration flights by the famous "Mercury," the high-speed pick-a-back seaplane.

Tests to date of the fast, long-range craft have been so satisfactory that tentative plans of Imperial Airways and the British Air Ministry call for inauguration of experimental air mail transport across the ocean by this 'plane or a similar machine.

Great possibilities for bridging vast stretches of water or large distances of barren land are inherent in the Short-Mayo composite aircraft method of launching long-range aircraft.

Many successful launchings have already been accomplished of the long-range seaplane "Mercury" from the top of the flying boat "Maia," similar to the flying boats that crossed the Atlantic last year. The "Mercury" is designed to fly 3,750 miles non-stop, at an average speed of 170-185 miles an hour, carrying a pay load of half a ton. Test flights scheduled for the "Mercury" include several over existing Empire air routes, and fast trips across the Atlantic.

Use of the composite launching method ovecomes the difficulties of getting into the air a 'plane loaded with sufficient fuel for a fast, long-range flight as well as with enough freight and passengers to make operation profitable.

Eventual development of the scheme will permit operation of express services, superimposed on regular services, and permitting the England-New York trip to be made in 12 hours. It could also be applied to facilitate fast crossing of the Pacific by 'planes carrying fuel loads with considerable margins of safety.

Among the advantages of the composite aircraft method of solving the take-off problem for heavily loaded long-range craft are absence of undue effect of acceleration on passengers, carriage of the machine to be launched over part of its route by the "mother ship" and launching of the upper craft at safe, high altitudes.

According to recent bulletin from Imperial Airways, further transatlantic test flights this year by the Mercury and other British aircraft are scheduled as follows:

Mercury, three return Atlantic flights, around end of August and end of October.

Albatross type of large land plane produced by deHavilland, two return flights early in September and early October. Another Albatross machine will fly to New York and remain there to make survey flights under winter conditions.

The "Cabot," improved and larger type of flying boat such as made last year's transocean tests, two return flights around end of September and middle of October.

In the meantime, other transatlantic air tests are being made by Air France, by way of Newfoundland; and Deutsche Lufthansa, the German air transport concern, with catapult-launched planes flying by way of the Azores. As far as is known, Pan American Airways (U. S.) is not continuing this year the Atlantic tests it made last summer in co-operation with Imperial Airways.

Nova Scotia Fisheries Had Better Year in 1937

From Our Own Correspondent

MONTREAL. — Production of Nova Scotia fisheries in 1937 had a greater value than in any year since 1930, according to a report released by the Dominion Bureau of Statistics.

Value of the products of the fisheries of the province in 1937 was over $9.2 millions, compared with $8.9 millions the preceding year. This total comprised the value of fish as marketed.

Lobster and cod are of chief importance in the fisheries of Nova Scotia, the former being first in every year since 1930. Output of the lobster fisheries in 1937 had a value of $2,757,880 and of the cod fisheries, $2,404,452. Haddock is third in order of value, with a total of $1,282,023.

The quantity of fish of all kinds, including shell fish, caught and landed by Nova Scotia fishermen in 1937, was 2,889,400 cwt., and the value at point of landing, $6,015,186. This compares with a catch of 2,650,922 cwt., and a landed value of $5,491,552 in 1936. The average price per cwt. for all kinds of fish combined, was $2.08, compared with $2.07 in 1936.

Vessels, boats and gear used in the primary operations of catching and landing fish had a total value in 1937 of $6,481,000 compared with $6,280,481 in the preceding year. The chief items are gasoline Diesel boats valued at $1,586,425 and lobster traps valued at $1,569,126. The number of men employed in primary operations in 1937 were 18,088, a decrease from the preceding year of 271.

The fish canning and curing branch of the industry had a capital invested in 1937 of $3,012,398, a decrease from the preceding year of $160,564. During the year there were 162 establishments in operation, employing 3,146 persons. This is a decrease of 10 establishments and 518 employees from the preceding year.

YOU would not, of course, include such a clause in your will. Yet by naming your wife to settle and manage your estate, the result may be the same. It will be far better, for her peace of mind and security, to name this institution as your executor and trustee. We are experienced in the complex matters of estate settlement. Our officers are trained in the problems of property management. These responsibilities, which would probably be strange and troublesome tasks to your wife, comprise our daily business, year in and year out.

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Investment Trends

Stocks Fail to Make Headway During Week

Recovery From Last Week's Reaction Erases Most of Decline—Commodity Prices Being Watched For Clue

Stock prices have not made a great deal of progress in either direction in the past week.

Although business indices are rising both in Canada and the United States, a note of caution is heard. The longer term outlook is generally regarded optimistically but there are bound to be interruptions.

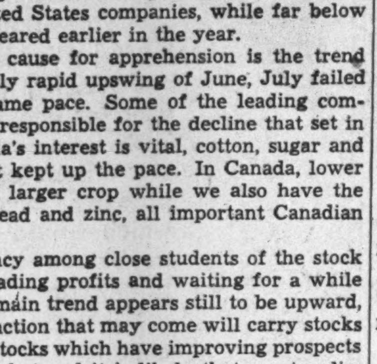
The stock market is interpreting business and profits. In some cases the actual half-year reports of United States companies, while far below 1937, are still more favorable than feared earlier in the year.

One factor that may give some cause for apprehension is the trend of commodity prices. After the fairly rapid upswing of June, July failed to carry on at anything like the same pace. Some of the leading commodities in world trade seem to be responsible for the decline that set in last month. Wheat, in which Canada's interest is vital, cotton, sugar and hides are a few items that have not kept up the pace. In Canada, lower wheat prices should be offset by a larger crop while we also have the favorable trend shown by copper, lead and zinc, all important Canadian products.

More and more there is a tendency among close students of the stock market to advise making sure of trading profits and waiting for a while before making new purchases. The main trend appears still to be upward, however, and it is doubtful if any reaction that may come will carry stocks back at all close to the March lows. Stocks which have improving prospects may go ahead of the rest of the market and it is likely that greater discrimination will have to be exercised. In Canada, the companies likely to be aided by increased farm purchasing power as well as those likely to appeal to speculative fancy such as the airplane makers, may be most desirable from the standpoint of capital appreciation.

Commodity Prices Effect

Price declines in the latter months of 1937 and early part of this year caused inventory losses and induced a more cautious attitude toward purchases on the part of manufacturers and consumers, according to the Bank of Nova Scotia. In Canada the drop in prices of primary products also had the unfortunate effect of curtailing the income of primary producers. Most important declines were in base metals and wheat.



Some reduction in manufacturing costs has been a partially mitigating factor. Where imported manufacturers' materials, such as cotton and rubber, dropped, benefit to Canada's economy as a whole resulted. But when domestically produced manufacturers' materials dropped, the gain to the manufacturer in lower costs may be more than offset by contraction in the buying power of primary producers, ultimately leading to a curtailment in the market for manufactured goods.

Generally speaking, the bank letter concludes, outlook for primary commodities has improved appreciably over the past few months, a situation already reflected in the moderate upturn of recent weeks. Two notable exceptions to this rule are wheat and cotton, where the outlook remains unfavorable.

* * *

Buying For Cash

The unusually large proportion of cash buying over the past two months in the stock markets is occasioning some comment. Brokers' loans have not gone up to nearly the extent that might have been expected. This indicates that margin buying has not been a great factor.

With a gain of 8.2% in market values of all listed stocks, Montreal Stock Exchange, for example, reports that borrowings on collateral have risen only 2.9% to the end of June. A somewhat similar situation is apparent in New York.

When stocks are bought for cash, the market strength is greater and a reaction is less likely to bring out forced selling.

* * *

Brazil Position Improves

An increase of 11.4% in the coffee exports of Brazil for the year ended June 30, will improve the country's trade position and the status of the milreis. These facts will have an important bearing on the external value of Brazilian Traction, Light & Power Company's earnings.

Last year Brazil broke away from the Latin-American Coffee Conference and subsequently embarked on a programme which has been successful.

During the coffee crop year ended June 30, Brazil reached her coffee export goal of 15 million bags, a gain of 11.4%. June exports of 1,622,000 bags set a record for that month.

* * *

B. C. Liquor Prices

Reports are current that British Columbia is going to reduce retail prices for whiskies and gins made in eastern Canada to a level comparable with those charged for liquors made in the province. The reduction will probably amount to 15 to 25 cents a bottle.

This price differential has existed for some time. Only last year, Ontario and Quebec removed a similar differential against B. C. liquors. It is probable that the effect on the large eastern Canada distillers will not be particularly great although it is reported they are planning extensive advertising in British Columbia.

But it will undoubtedly mean that the British Columbia firms, such as Brewers & Distillers, United Distillers of Canada, will find competition more severe than in the semi-protected market which now prevails.

Can. Inv. Fund Holdings Rise

Portfolio Appreciates But Profits Decline Slightly

From Our Own Correspondent

MONTREAL.—Earnings of Canadian Investment Fund declined slightly in the first half of the year as compared with the first six months of 1937. Net income for the period amounted to $125,050. This compares with $131,051 in the first of 1937.

Earnings were not sufficient to cover dividends totalling $157,936 so that surplus was reduced somewhat. Net income was equivalent to 6.1 cents a share on the outstanding capital of 2,036,430 shares at June 30.

In a statement to shareholders, Calvin Bullock, president, states, several semi-annual dividends were received in the quarter ended June 30 which will be non-recurring in the next quarter. Variations in quarterly dividend payments are to be expected and shareholders should regard income on an annual rather than a quarterly basis, according to Mr. Bullock.

Comparative income figures for the first six months of 1938 and 1937 are given below:

Income Account
Six Months Ended June 30

	1938	1937
	$	$
Divds., int., etc.	136,991	140,236
Less: Gen. exps.	6,892	6,260
Income taxes	5,048	2,925
Net income	125,051	131,051
Add: Prev. surplus	119,530	83,453
Stock subscr.	14,180	12,982
	258,761	227,487
Less: Dividends	157,935	127,637
Balance forward	100,826	99,850

Investments Appreciate

Balance sheet as at June 30 shows improvement in the company's position. Market value of investments was more than $300,000 above cost compared to more than $400,000 below cost at Dec. 31. At June 30, investments were carried in the balance sheet at $5,966,655 as against a market value of $6,343,020. This compares with a book value of $5,557,0884 and a market value of $5,121,485 at Dec. 31.

Total net assets, with securities valued at market, amounted to slightly over $7.7 millions at June 30, compared with $5.8 millions at the end of 1937. At the same time, the number of special shares outstanding increased from 1,646,438 to 2,035,430. This number of shareholders increased 22%.

Cash at June 30 amounted to $1,403,921 as compared with $665,925 at Dec. 31.

Conduits National Pays Another 10c Dividend

A dividend of 10 cents a share has been declared on the common stock of Conduits National Co. The latest payment will be made Aug. 8, 1938, to shareholders of record Aug. 3.

The company paid an initial dividend of 25 cents a share last November and 10 cents a share in February of this year.

INVESTMENT SECURITIES

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Jamaica Utility Profits Jump

Results for Half Year Indicate Peak Earnings

From Our Own Correspondent

MONTREAL.—Results for the six months ended June 30 indicate earnings of Jamaica Public Service in the current year will exceed the peak level achieved in 1937.

Net income in the first six months of the year amounted to $102,852, equivalent to $1.69 a share on the common stock. This compares with net profit of $87,830 in the first half of 1937, equivalent to $1.36 a share.

In 1937 the company earned $2.80 a share, compared with $2.20 a share in 1936.

In the 12 months ended June 30 net income was equivalent to $2.89 a share on the common stock as against $2.51 a share in the year ended June 30, 1937.

Cons. Income Account
Month of June

	1938	1937
	$	$
Oper. revenues	77,691	69,653
Gross income after retirement accruals	23,738	20,119
Net income	15,351	11,251
12 Months Ended June 30		
Oper. revenues	913,531	876,976
Gross income after retirement accruals	298,661	270,444
Net income	194,690	166,630

Canada Wire Net Is Lower

Pick-up in Second Quarter Gives Favorable Outlook For Rest of Year

Earnings of Canada Wire & Cable Co. for the first half of 1938 were equivalent to 11 cents a share on its class B stock. In the full year 1937, $3.24 a share was earned on the class B stock.

Herbert Horsfall, president, states: "In line with other industrial concerns, earnings in the first quarter of the year were rather disappointing. However, the second quarter witnessed a recovery in sales to more normal levels. A continuance of satisfactory sales is anticipated for the remainder of the present year."

The half year's statement was issued by the company along with the announcement of the regular dividend of $1.62½ a share on the preferred stock. During the past six months, the company has redeemed 130 shares of the preferred stock, leaving 28,741 shares outstanding.

Estimated Earnings
Six Months Ended June 30, 1938

	$
Operating profit	350,567
Less: Exec. sals. & legal fees	31,111
Directors' fees	2,193
Net operating profit	317,263
Add: Other income	4,634
Total income	321,897
Less: Depreciation	114,154
Prov. for inc. taxes	39,000
Net profit	168,743
Earnings per Share:	
Preferred	$5.87
Class "A"	2.54
Class "B"	0.11

Investment Notes

Canadian Investment Fund—Cost of securities purchased during the first six months of the year approximated $950,000. Slightly more than one half the buying was done in the latter part of March and the balance between May 17 and June 18. While immediate income was a consideration in the section of a moderate portion of securities bought, most purchases were selected on the basis of their appreciation possibilities. At June 30 the market value of these purchases exceeded cost by 24.82%.

Since April 16 last, no securities have been sold. The following additions were made to the company's portfolios:

Additions to Portfolio

Common Shares:	No. of Shares
Cons. Mining & Smelting	1,000
Noranda Mines	200
B. A. Oil Co.	1,500
Imperial Oil	2,000
International Pete.	2,000
Sherwin-Williams Co. (U.S.)	400
Union Carbide	600
Crane Co.	1,000
Johns-Manville Co.	500
Montgomery Ward & Co.	1,200
National Breweries	300
Crown Zellerbach Corp.	2,300
Imperial Tobacco	500
Loew's Inc.	1,000
Preferred:	
Inter. Paper & Power	1,000

* * *

Distillers Corp.-Seagrams — The company has a better-than-average earnings record and should be able to maintain its position while the industry is becoming stabilized, is the way the Financial World appraises the company, adding that the common and preferred stocks are improving in status but their appeal is still largely for "speculative income purposes."

* * *

Sugar stocks—Operations of Atlantic Sugar Refineries, Acadia Sugar and Canada and Dominion Sugar are on a somewhat better basis this year, judging by the report which shows that up to June 18, meltings and sales amounted to over 299 million pounds, compared with 285 million pounds for the same period in 1937. Stocks on hand now total 135.7 million pounds as against 103 million pounds a year ago.

Steel—a Recovery Investment

Canadian Securities Offer Possibilities If Trend Continues

Investors have long recognized that there is no industry liable to suffer greater ups and downs with the business cycle than primary steel manufacturing.

In times of depression the industry is extremely inactive. In the past year, an excellent example of this has been given by the industry in the United States. From a high level of activity approaching capacity, average rate of operations sank in a few months to less than 20% of capacity.

Investment in steel stocks is very attractive in prosperous times, or when recovery has got under way, but a sad story when business starts on the down swing.

That very factor lends particular interest to steel stocks at present. Assuming another stage of business recovery is under way, steel stocks can be expected to prosper accordingly. In a recovery period steel is perhaps late in getting under way but its upward movement is likely to be all the more rapid for that very reason.

It is difficult to draw the line in excluding companies when making any investment review of the steel industry. Actually there are only three Canadian companies operating blast furnaces and using iron ore and the other materials that go into pig iron.

There is another group which might be considered secondary steel producers. Such companies take steel scrap or pig iron and use it to make steel for their own use and to their own specifications. In this article both of these groups, comprising five companies in all, will be discussed in detail.

A wide range of other companies, however, sometimes classed as steel companies, are more interested in fabricating steel and iron products into finished goods. This would include Canadian Car & Foundry, National Steel Car, United Steel, Page-Hersey Tubes and others. The necessity of limiting this study has made it necessary to omit this group entirely.

Primary Steel Producers

The annual steel ingot capacity of the three primary steel companies is:

	Tons
Algoma Steel Corp.	540,000
Dominion Steel & Coal Corp.	420,000
Steel Co. of Canada	640,000

Algoma Steel

Algoma Steel Corp. and subsidiaries own 2,300 acres of land at Sault Ste. Marie, Ont., with 4 miles of waterfront. Dockage facilities are capable of handling annually 1,000,000 tons of coal and 1,000,000 tons of other material.

The iron and steel plant consists of 160 coke ovens, 4 blast furnaces, an open hearth plant, a duplex plant, rolling mills and power plant having the following annual capacities:

	Tons
Pig iron	600,000
Blooms, billets and slabs	600,000
Heavy rails	360,000
Structural shapes	240,000
Merchant bars, light rails, fastenings and alloy steel	180,000
Coke	750,000
Ammonium sulphate	10,000
Benzol, gallons	2,400,000
Gas, cubic feet	6,000,000,000
Tar, gallons	6,500,000
Light oil, gallons	3,000,000

The Helen Mine, with estimated iron ore reserves of about 100 million tons, is owned by the company. The company has an agreement with the Ontario Government by which it will receive a bounty of 2 cents per unit—70 cents per ton—on all siderite iron ore produced from this mine. The company has agreed to spend some $1,500,000 on the development of the mine which should be into production by 1940 with initial capacity about 450,000 tons of ore annually. After beneficiation this production will yield about 300,000 tons of 50 to 60% ore.

The company will expand plant facilities during the next five years at an estimated cost of $10,000,000. To provide part of the funds for this expansion a $6,000,000 issue of 5% 20-year bonds has been authorized. As a first step the company has virtually completed plans for the construction of a tinplate mill. A contract has been signed with Continental Can Co. whereby Algoma will supply 70 to 75% of the company's tinplate requirements in Canada.

In an effort to diversify production, the company has expanded in the structural steel field. The tinplate mill will permit the company to enter the field of lighter steel products. It is also planned to have in operation this year a plant for the construction of grinding balls for the mining trade.

Algoma Steel has $5 millions of 5% first mortgage bonds pledged as collateral against bank loans of $3.3 millions at April 30, 1938. Its capitalization consists of $2.2 millions of 5% preference stock and 407,540 common shares. The preference is non-cumulative until Jan. 1, 1940, and thereafter is convertible on the basis of four common for each preferred share. No dividends have been paid to date on either stock.

The stocks are not listed but the preferred is currently quoted around $67 to $70 and the common at around $14 a share. On the preferred earnings have been per share: 1938, $29.13; 1937, $8.63; 1936, $22.41. The common was split four-for-one in 1936 and on the new stock net profits have been equivalent to $1.30 a share in the year ended April 30, 1938; and 20 cents in the preceding period.

Dominion Steel and Coal

Dominion Steel & Coal Corporation is a holding and operating company, owning the properties formerly operated by British Empire Steel Corp. Ltd.

The company owns 30 bituminous coal mines in Nova Scotia with an annual capacity of 7,000,000 tons. On Bell Island, Newfoundland, the company operates the Wabana Mine which is estimated to contain one-third of the available iron ore in North America.

Blast furnaces and steel plants at Sydney, N.S., have the following annual capacities:

	Tons
Pig iron	400,000
Steel ingots	420,000
Blooms	375,000
Billets	150,000
Rails	250,000
Bars	50,000
Wire, rods and nails	150,000

All of these products cannot, of course, be produced concurrently.

The company, through Halifax Shipyards Ltd., operates a complete drydock, floating crane, marine railways and shipbuilding yards at Halifax, Nova Scotia.

During 1937, the company further diversified its production and markets by the purchase of Graham Nail and Wire Products, Ltd., operating a wire and flat steel plant in Toronto; Canadian Steel & Wire Co. of Walkerville, Ontario; Canadian Steel Corporation Ltd., of Walkerville operating a wire mill, with tinplate and sheet plate divisions to be opened as soon as practicable; Canadian Bridge Co. of Windsor, Ontario and its two subsidiaries Canadian Steel Lands Co., and The Essex Terminal Railway Co.

Dominion Steel & Coal had made an offer to holders of securities of Nova Scotia Steel & Coal which will result in the latter company being absorbed by Dominion Steel & Coal.

Capitalization of Dominion Steel & Coal Corp. consists of $4.4 millions of 6¼% cumulative income bonds, on which arrears of interest have been paid and regular payments resumed, and 841,760 class B common shares of $25 par value. Income bond interest was earned 6.60 times in 1937 after depreciation. On the class B stock earnings were $1.56 a share in 1937, a deficit of 2 cents a share in 1936, and a deficit of 15 cents in 1935. Last year's profits hit a new high level for the company. The class B shares are listed at Toronto, Montreal and New York.

Its subsidiary, Dominion Coal Co. has $6 millions of 3½% serial and 4½% 15-year bonds outstanding as well as $6 millions of 6% preferred of $25 par value. Earnings on the preferred were $2.08 a share in 1937 and $2.04 in 1936. This stock is listed on both Montreal and Toronto exchanges.

Steel Company of Canada

Steel Company of Canada is engaged in all branches of steel production. Ten plants are operated by the company at Hamilton, Brantford, Toronto, Gananoque, Montreal, Lachine and London.

The principal products of the company include:

Basic, malleable and foundry pig iron.

Blooms, billets, wire rods, bars, angles, plow beams, agricultural shapes and concrete reinforcing bars of rolled steel.

Blue annealed, black galvanized, copper bearing, and copper bearing galvanized sheets.

Track fastenings consisting of angle bars, tie plates, track bolts, spikes, tie rods, and "S" tie steel.

Drop forgings, consisting of carriage hardware, automobile, and special light forgings.

Bolts and nuts.

Washers.

Spikes and rivets.

Pale line hardware.

Iron and steel pipe.

Wire products; nails, staples and tacks.

Lead products.

Traffic markers.

Fencing and accessories.

The company produces furnace, foundry and domestic coke, and by-products consisting of coal tar, ammonium sulphate, benzol, toluol and solvent naphtha.

The company also has an interest in four ore properties, three in northern Michigan and the other in Minnesota, which supply over half of the company's ore requirements on a royalty basis. Through Mather Collieries, at Mather, Pennsylvania, the company operates a coal mine, producing coal suitable for making coke.

During 1937 a new 150-ton open hearth furnace was added to the Hamilton Works, and eight new soaking pits installed preparatory to construction of a new 44-inch blooming mill. A plant for galvanizing wire by an improved process was installed at the Dominion Works, and the complete rearrangement of the rolling mills at the Notre Dame Works was commenced in the latter part of the year.

The company's securities have always ranked high among those of this industry. It has $3.3 millions of 6% bonds, due 1940, 259,852 7% preference shares of $25 par value and 460,000 common shares. Both preferred and common stocks are listed in Canada, New York and England. Profits in 1937 reached a record for the company. On the combined ordinary and preferred shares, net profits were equivalent to $5.81 a share in 1937 against $4.01 a share in 1936. Financial position is strong.

The company's two classes of stock participate rateably after the common has received dividends equal to those paid on the preferred. Courts have held that the dividend provisions entitle common shareholders to the same payments as made on the preferred and as a result of this there remains $6 a share of accumulations still coming to common shareholders as equalization. These accumulations are being reduced regularly.

Dominion Foundries & Steel

Dominion Foundries & Steel operates at Hamilton a plant with an annual capacity of 120,000 tons of steel ingots and castings. The company makes steel plates, tinplate, axles castings and forgings, hot and cold rolled strip, bars, billets, blooms and slabs. Its plate mill has an annual capacity of 150,000 tons and its tinplate mill 30,000 tons. The latter mill was built in 1935 and 1936 and has been operating at and above rated capacity.

Capitalization consists of $1.2 million of 6% preferred and 120,653 common shares. At the moment holders of common shares are being given rights to buy one additional share for each ten shares held, which, if fully exercised, will result in 30,163 additional common shares being issued and the company receiving $452,500 additional capital. This capital is to be used for improvements to plant.

In 1937 the company earned $5.52 a share on its common against $2.49 a share in 1936. For the first half of 1938 it is stated that profits were on a higher scale. Common dividends of 75 cents were paid last year but the regular rate has been raised to 40 cents quarterly this year. The stock is listed on the Toronto Stock Exchange.

Burlington Steel

Burlington Steel Co. operates an electric furnace at its Hamilton plant with a capacity of 20,000 tons of steel ingots annually. It supplies reinforcing steel, bars and shapes, steel fence posts, grinding balls, structural tubing and many agricultural and special shapes.

Capitalization is 140,000 common shares, listed on the Toronto Stock Exchange.

In 1937 net profits were equivalent to $1.45 a share, highest since 1929. This compares with 40 cents a share in 1936. The present dividend rate of 60 cents a share annually was established last October. Production for the first three months of 1938 was within 20% of the same period of 1937, a record level. It is not expected, however, that earnings will quite reach last year's levels. This company has specialized in the making of various structural steel shapes for reinforcing. Most of its output is sold to other manufacturers for further fabrication.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
Weekly Figures, 1938:												
July 7	122.7	23.4	88.9	177.4	59.0	164.5	114.4	141.2	66.7	85.0	48.9	106.8
July 14	123.3	22.7	88.4	178.4	58.9	168.2	115.8	139.1	66.0	85.4	48.2	106.0
July 21	130.4	22.9	89.1	178.1	59.4	169.8	121.7	143.4	66.2	84.5	48.5	107.3
July 28	134.6	23.3	87.9	176.8	61.6	169.5	124.2	145.8	66.5	84.6	48.5	107.4

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Aug. 2	124.96	126.02	96.26	36.26
Aug. 1	—Holiday—			
July 30	125.49	125.72	95.97	36.37
July 29	124.60	125.78	95.70	36.62
July 28	124.97	124.98	96.75	36.51
July 27	123.10	123.20	95.69	36.87
Month ago	122.49	118.52	89.63	36.25
Year ago	165.85	120.25	107.03	56.15
High, 1938	126.85	125.85	97.95	50.85
Low, 1938	97.66	102.06	64.47	31.40

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Aug. 2	66.0	87.1	80.1	127.25
Aug. 1	66.8	87.0	80.2	127.21
July 30	66.9	87.5	80.6	126.89
July 29	67.2	87.0	80.4	127.03
July 28	67.1	87.1	80.4	126.75
July 27	66.8	85.5	79.3	125.68
Month ago	68.8	81.7	77.4	119.02
Year ago	82.3	109.6	100.5	110.04
High, 1938	69.3	88.2	81.4	130.77
Low, 1938	59.1	61.1	60.5	103.06

Howard Smith Earnings Drop

Earnings to Date Above Same Period of 1936

From Our Own Correspondent

MONTREAL. — Sales of Howard Smith Paper Mills this year to date have been lower than in the same period last year, but compare favorably with the 1936 period. For the first six months of the year sales were about 20% below the first half of 1937.

As would be expected, profits have also been below last year's level. However, earnings are ahead of the corresponding period of 1936 despite the increase in labor costs. This is attributed to expansion and improvement of the company's plants. Another factor contributing to increased profits as compared with 1936 is lower interest charges arising out of refunding and reduction of the company's funded debt.

No official information is available as to actual earnings. In 1937 the company earned $2.11 a share on its common stock and 77 cents a share in 1936.

Operations of Howard Smith Chemicals, a subsidiary formed in 1936, are stated to be satisfactory. This company manufactures vanillin, a chemical used as a base for flavoring extracts. It is made from a by-product of the parent company in the manufacture of pulp and paper.

Canada Dry Net Drops Slightly

Carbonated Beverage Sales Up But Liquor Sales Decline

Profits of Canada Dry Ginger Ale for the nine months ended June 30, 1938, are under those for the corresponding period 1937. This is stated to reflect the drop in sales of alcoholic beverages during the period of business recession but improvement has been noted recently.

A substantial gain took place in case sales of carbonated beverages, as a result of the expansion of production and selling facilities. Plants at Dallas and Pittsburgh have recently been put in operation. The system by which local bottlers are licensed to manufacture the company's products is the latest step which is expected to reduce costs and permit more intensive selling. It is stated that the company plans to gain complete nation-wide coverage in the United States.

The contract between the company and Whitall-Tatum Co. relative to the purchase of bottles has been cancelled without cost to Canada Dry. The company has also relinquished its contract with Distilled Liquors Corp. for a "satisfactory consideration."

Consol. Net Income
Three Months Ended June 30

	1938	1937
	$	$
Gross sales	3,653,143	4,084,775
Less: Cost of sales	3,416,226	3,759,432
Oper. profit	236,917	325,343
Less: Depreciation	69,471	57,407
Interest, disc., etc.	12,422	38,215
Income taxes	30,234	40,318
Add: Other income	56,079	60,450
Net income	180,968	249,854
Earned per Share:	$0.29	$0.49
Nine Months Ended June 30		
	1938	1937
	$	$
Gross sales	10,974,904	10,570,868
Less: Cost of sales	10,438,990	9,970,833
Oper. profit	535,914	600,035
Less: Depreciation	201,441	174,430
Interest, disc., etc.	68,676	127,345
Income taxes	57,324	66,318
Add: Other income	124,006	119,639
Net income	332,479	351,400
Earned per Share:	$0.54	$0.69
Shares O/S, $5 par	615,157	512,631

Rapley Resigns Post

From Our Own Correspondent

MONTREAL.—W. P. Rapley has resigned as secretary-treasurer of Quebec Gold Mining Corp. and of Big Missouri Mines Corp.

Canada's Largest City

City of Montreal
4% Bonds
(Non-callable)
Due December 1st, 1946
Denominations: $1,000 and $500.
Price:
100 and accrued interest.

Montreal is of outstanding importance in the industrial, commercial and financial life of the Dominion. Security of City of Montreal Bonds is based on this diversified business activity, the wealth of the community, and the City's resultant taxing power.

Descriptive circular forwarded upon request.

Wood, Gundy & Company Limited
Toronto Montreal London, Eng. Ottawa Hamilton Winnipeg Vancouver London, Ont.

Market Opinions

Belief that security markets are in a period when the trend of prices is going to be upward continues to prevail among market commentators. But few seem willing to advise immediate purchase of stocks, feeling that interruptions to the upward movement will occur sooner or later.

Barron's, The Trader, New York—"Since there is nothing at hand in the way of earning power to justify the current level of prices, the only conclusion is that the preponderant opinion of capital is that something will occur in the future to make equities more attractive . . .

"It is, of course, possible for the market to experience hesitation, or possibly further correction, in the next month or two. Not until the promising business prospects are actually in sight, may businessmen be willing to concede the fact and to spread the word-of-mouth cheer that is a more lasting influence on price trends than the mere sentiment of the financial district. By fall, too, clarification of the all-important wage problems of the steel and railroad industries may have occurred.

"The stock market may have gone a long way toward discounting what is ahead, but so great has been its dynamic power to date as to render questionable a debate over its underlying message. It continues to disregard bad news and it has already weathered a mild reaction without provoking impressive liquidation."

* * *

Brookmire Bulletins, New York—"The appearance of hesitation in the stock market—which, in view of the prolonged advance without substantial interruption, could well presage a normal corrective reaction—while business continues to gain, is in no way incongruous. The market habitually moves first, and it is only natural that business should, during pauses, catch up. Since a broad recovery trend appears well established, a considerable reaction would provide advantageous opportunity for the use of new purchasing power, which should continue to be conserved."

* * *

The Financial World, New York—"The current business recovery movement admittedly is unorthodox, and its duration is something that cannot be predicted. But the weight of evidence is that the revival still is in its initial stages and has a great deal of distance to cover before approaching a culmination. As long as this situation persists the investor can regard stock price reactions as merely temporary phases of a longer upward trend, and as presenting opportunities for the acquisition of additional holdings of shares of advantageously situated companies. Thus there exists ample warranty for retention of well-selected equities, and the opinion is still held that for capital appreciation the sound "business cycle" stocks hold the best potentialities."

* * *

Journal of Commerce, New York—"Failure of the market to hold its advance in recent sessions has proved discouraging to traders, and there has been a general tendency to reduce long commitments. It was noteworthy, however, that speculative holdings were absorbed without any serious decline in quoted prices, and that some of the secondary issues have shown pronounced strength in the face of recent selling pressure in the leaders."

* * *

Investors' Chronicle, London (July 23)—"At the moment I think we must admit that the most promising sections are the American stocks, those securities which stand to benefit directly from American recovery—mainly the commodity producers—gold shares and the rearmament issues. And the U. S. securities and their satellites are fully valued now unless America really is going to recover.

"This all sounds a little gloomy, but I think if you spend the week end thinking it over, you will find that is not the case. America really does look like recovering, and if that is the case, the scope for profitable investment is large. But I feel that I should express my opinion that American recovery does not necessarily mean Utopia for all British industry."

* * *

The Annalist, New York—"The mixed and selective character of the stock market is, as has already been suggested, a feature which might be given widely different interpretations by investors. It is always possible to take the position that a selective rally is misleading in that it tends to cover up weakness in an important section of the list and that consequently it may be introductory to more widespread selling. This tendency may be all the more apparent because a few strong stocks or groups of stocks may superficially indicate strength in a market average when in fact there may be considerable selling in other groups.

"In the present instance, however, it seems more reasonable to explain the current irregularity both on the basis of the termination of that stage of the advance which has been a rebound from a sold-out condition and the development of a situation in which investors are more inclined to appraise the immediate outlook for earnings."

Fairbanks-Morse Business Holds

Business of Canadian Fairbanks-Morse Co. in the first half of 1937 was maintained at about the same level as for the corresponding period of 1937. The latter period was up 44% from 1936.

The company anticipates favorable impetus from the anticipated increased purchasing power from the largest wheat crop. Another favorable factor is stated to be the probable placing by the British and Canadian governments of orders for airplanes and munitions.

Last year the company reported net profit equivalent to $2.41 a share on its common against 53 cents in 1936. On Aug. 15, the company is paying a dividend of 25 cents a share on its common, the first payment since the same amount was paid on March 15, 1932.

Paramount Pictures Earnings Drop Sharply

Earnings of Paramount Pictures for the second quarter ended July 2, 1938, are estimated at $394,945, including $359,000 representing the company's direct and indirect net interest as a stockholder in the combined undistributed earnings for the period of partially-owned non-consolidated subsidiaries. This compared with $1,647,000 for the corresponding period of last year, comprising $1,307,000 consolidated net earnings and $340,000 as the company's share of undistributed earnings of partially-owned subsidiaries.

Earnings for the first six months of the current year totalled $1,225,811, including $1,165,000 shares of undistributed earnings of partially-owned non-consolidated subsidiaries, as compared with $4,298,000, including $980,000 of undistributed earnings of non-consolidated subsidiaries, for the same period of 1937.

Beauharnois Plan Near Last Stage

New Securities Expected to be Ready for Exchange About Aug. 15

From Our Own Correspondent

MONTREAL.—New securities to be issued under the reorganization plan of Beauharnois Power Corp. are expected to be ready for exchange about Aug. 15.

The additional 669,559 Beauharnois Power common shares to be issued under the plan have been called for trading on the Montreal Curb.

Following elimination of Beauharnois Power Corp. bonds the holding company is to be wound up. Common stock of Beauharnois Power Corp. will be exchanged for shares of Beauharnois Light, Heat and Power on the basis of one share of the operating company for each two shares of the holding company. This will necessitate increasing the share capital of Beauharnois Light Heat and Power from 40,000 shares, par value of $100 each, to 713,780 no par value shares.

F. O'HEARN & CO.

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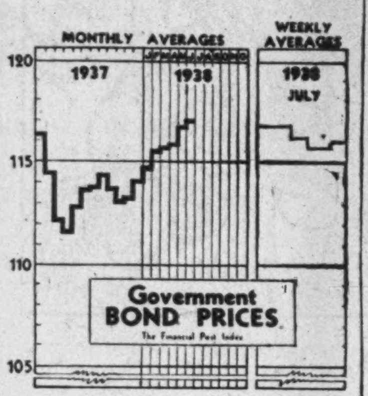
Bond Markets

Bond Markets Listless In Mid-Summer Session

Government and Municipal Financing For Period Ended July 31 Down $30 Millions From 1937—Corporation Halved

Bond markets exhibited very little activity during the week. Interest was centred on a few speculative issues and the securities of paper companies, but prices moved only fractionally, following the lead of stock markets.

Contributing to the paper issues' popularity was the mild optimism regarding operations in August. Recent forecasts of activity in the United States paper industry estimated a 70% operating average for August, but incoming orders necessitated the revision of this figure to a probable 75% by the middle of the month. Despite a substantial increase in orders for kraft wrapping paper and bags, fine paper products sales occasion a note of warning.



Prices of high-grade bonds remained substantially the same as a week ago, with little demand from buyers, because of the spread between the bid and asked prices.

Three municipal issues were sold during the week. The Roman Catholic School Commission of Sherbrooke, Que., sold $50,000 of 3½% serial bonds; the City of Fredericton, N.B., $40,000 of 3½% bonds, and the City of Sorel, Que., two debenture issues of $46,400 and $36,000.

* * *

July Financing

The month of July saw the greatest volume of corporation financing of the year. The aggregate exceeded $20 millions, or more than 40% of the total for the first seven months of 1938, according to a review by Wood, Gundy & Co.

The most important corporation issue of the month was $12.5 McColl-Frontenac serial bonds. Ottawa Light, Heat & Power sold $5 millions of refunding bonds, Hamilton Cottons, $1.2 millions and United Towns Electric, $650,000.

Corporation financing for the seven months ended July 31 totalled $52.6 millions, of which $31.6 millions was for refunding purposes. The largest individual issue for new money purposes was the $11.9 issue of Canadian Pacific Railway equipment trust certificates, sold in May.

New government and municipal issues sold during July amounted to $25.6 millions, apart from $55 millions of treasury bills. Hydro's $12.5 millions of 3% bonds was the most important issue of its kind during the month. Other flotations include: Province of New Brunswick 3% and 3½% bonds of $4 millions; City of Montreal 4% bonds of $4 millions and the City of Quebec serial bonds of $2.3 millions.

The Wood, Gundy & Co. comparative record of financing for the seven-months' period is given below:

Govt. & Municipal to July 31	1938 $	1937 $
Dom. Govt. dir. & gtd.	238,491,666	234,000,000
Dom. Treas. bills	365,000,000	335,000,000
Prov. dir. & gtd.	52,590,000	92,696,000
Ontario municipal	3,878,375	25,416,665
Que. & Marit. mun.	14,481,550	16,915,345
West. municipal	945,991	1,218,000
	675,367,582	705,246,010
Corporation		
Public utility	20,450,000	30,618,500
Railway	11,880,000	30,380,000
Ind. & miscell.	20,280,500	60,607,300
	52,610,500	121,605,800

* * *

Bond Index

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1937	Price $	Yield %
Aug. 2	115.93	2.930	Aug. 3	113.93	3.260
July 29	115.89	2.946	July 31	113.82	3.277
July 28	115.82	2.950	July 30	113.82	3.277
July 27	115.70	2.950	July 29	113.82	3.277
July 26	115.50	2.971	July 28	113.79	3.280
July 25	115.50	2.971	July 27	113.80	3.278
Year's	117.21	2.806	Year's	116.81	3.026
Range	114.21	3.147	Range	111.60	3.505

Bond Sales

Creston, B. C.

Building and equipment bonds to the principal amount of $56,000 have been sold at par to the Okanagan Investment Co., Kelowna, B.C. The bonds bear interest at 5%, and are in denominations of $1,000, which are to be turned over to the local branch of the Bank of Commerce, as and when funds are required to pay the contractor, and in this way will effect some saving in the first half yearly installment of interest.

City of Fredericton, N. B.

Fredericton has awarded Eastern Securities Corp., and George W. Brown & Co., $40,000 of 3½% bonds, dated Aug. 1, 1938, to mature Aug. 1, 1958. Price of the bonds was 99.13, at a cost basis to the city of approximately 3.56%. The money is to be used for street purposes.

A list of bids made is as follows:

Eastern Securities & George W. Brown & Co.	99.13
W. C. Pitfield & Co.	98.58
Laughlin & McKenzie & Johnston & Ward Co.	97.89
Irving & Brennan & Co.	96.72
Winslow & Winslow	96.30
A. E. Ames & Co.	95.31
T. M. Bell & Co.	94.32

Sherbrooke, Que.

The Banque Canadienne Nationale was the successful bidder for $50,000 of the Roman Catholic School Commission of Sherbrooke 3½% serial bonds. The price was 99.78 and the yield, 3.52%. The bonds, in denominations of $500 and $1,000 dated May 1, 1938, and maturing May 1, 1939-53, will be used for the enlargement of the Academie Ste.-Marie.

Other bidders for the issue include:

L. G. Beaubien & Co.	99.65
Clement Guimont & Co.	99.60
A. E. Ames & Co.	99.04
Hanson Bros. Inc.	96.36

Treasury Bills

The third consecutive increase in cost basis of Dominion treasury bills was recorded with the $25 million sale, dated July 30 and maturing Nov. 1. Price of the issue was 99.87120 and average yield was 0.501%. This compares with a yield of 0.489% of the previous sale and 0.490% on the issue maturing July 30.

Treasury bills outstanding were reduced by $5 millions to $155 millions, as the $30 million issue maturing July 30 was replaced by $25 millions of bills.

An all time low of 0.465% was reached with the June 15 sale.

Canada Carriage & Body Changes Name and Capital

Supplementary letters patent dated June 14, 1938, have been issued to Canada Carriage & Body Co., subsidiary of Cockshutt Plow Co., making certain changes in capital. Unissued preference stock is cancelled and the issued 4,425 preference shares of $100 par value and 70,000 common shares are consolidated into 70,000 common shares. Authorized capital becomes 100,000 no par value common shares.

Name of the company has also been changed to Brantford Coach and Body Ltd.

Cockshutt Plow has had an interest in the old Canada Carriage & Body for some time and last year acquired additional stock, giving it actual control.

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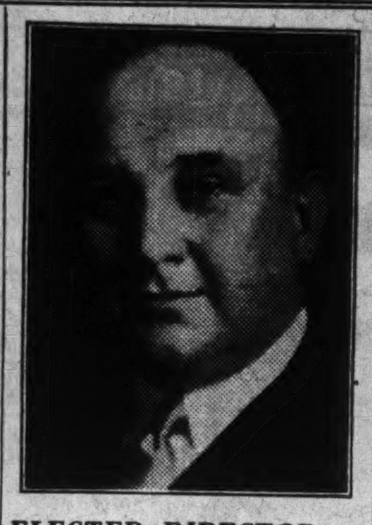

ELECTED DIRECTOR

G. R. Cottrelle has been elected a director of the Canadian Bank of Commerce. Mr. Cottrelle, who for some years was corporation executive of the bank, retired from the staff recently.

Int. City Baking Adjourns Meet

Opposition May Develop to Accepting Weston Offer

From Our Own Correspondent

MONTREAL.—Meetings of security holders of Inter-City Western Bakeries to consider an offer for the purchase of its assets were adjourned to August 30.

This action was taken at the request of a representative of a large bondholder who sought additional time to consider the proposal and to consult with other bondholders.

The offer of $635,000 cash for the company's assets is understood to have been made by George Weston Ltd. Under the terms of the proposed agreement bondholders would receive 40% of the principal amount of their holdings; preferred shareholders, 50 cents a share; and common shareholders, 10 cents a share.

Not Satisfied

The request for adjournment is understood to arise out of dissatisfaction with the offer. At Jan. 29 last, working capital of the company amounted to $170,003 so that the net price paid under the offer would be $445,000. After deducting depreciation of $519,778, land, buildings, machinery and equipment are carried in the balance sheet at over $1.7 million.

Net earnings of the company in the year ended Jan. 29, 1938, available for bond interest and depreciation, amounted to $65,653. On the basis of earnings, therefore, it is apparent the company would yield a good return on the price offered, especially if earnings increased as conditions improved in western Canada. Net earnings in 1936 totalled $82,862.

Vinegars Sales At Same Level

Approaching Peak Season in Months of August and September

Sales of Canada Vinegars, for the six months period ended May 31, were approximately the same as those of a corresponding period in the previous fiscal year. Costs of materials and labor are at about the same level.

The company is now approaching its peak season. The demand for vinegars in the pickling industry absorbs the greatest portion of the output in the months of August and September. From present indications it appears probable that the packing of foodstuffs utilizing vinegar will be better than last year.

Net profit for the year ended Nov. 30, 1937, amounted to $119,755, in comparison with $112,948 in the previous fiscal year. Earnings per share on the 92,000 common shares outstanding were $1.30 and $1.23, respectively.

Wilder Realty To Reorganize

Bondholders to Meet Aug. 12 to Consider Proposed Plan

From Our Own Correspondent

MONTREAL. — Bondholders of Wilder Realty Corp. are to meet Aug. 12 to consider a plan of reorganization of the company.

Under this plan maturity of the 6½% first mortgage bonds would be extended from March 1, 1940, to May 1, 1953. Existing defaults of the company would be waived, interest coupons due March 1, 1935, to March 1, 1938, being cancelled. Furthermore, interest would be reduced from 6½% to 5%.

Bondholders would receive an immediate distribution of $25 for each $1,000 bond.

Additional Security

The plan also provides for delivery of $60,000 of first mortgage bonds by J. H. Norris to the trustee. These are to be held as additional security in case of any deficiency in the semi-annual sinking fund payments of $7,500. Any bonds used for this purpose are to be replaced out of cash surplus in subsequent years.

Meetings Approve Windsor Hotel Plan

From Our Own Correspondent

MONTREAL.—The reorganization plan for Windsor Hotel Ltd. was approved by security holders at meetings here on Aug. 2.

Under the plan first mortgage bondholders receive $1,225 principal amount of 4½% bonds and five common shares for each $1,000 principal amount of 6½% bonds.

The refunding mortgage bonds are entirely eliminated, holders receiving 60 7/10 common shares for each $1,000 principal amount of bonds.

Preferred shareholders receive 1¼ common shares for each preferred share and common shareholders one new common share for each 10 shares now held.

New Hope in Fisheries

Ways to Modernize Marketing Discussed at Halifax Parley

From Our Own Correspondent

HALIFAX.—Is the Nova Scotia fisherman Canada's forgotten primary producer?

This was suggested here as representatives of all branches of the fisheries industry gathered with federal and provincial officials at a two-day conference.

Since the conference, however, there has been a noticeable feeling of optimism among the fishermen that some real benefits will accrue from the discussions.

Most vital problem discussed was the loss of export markets. Dried fish exports from Nova Scotia fell from 40,000,000 pounds in 1919 to 10,000,000 pounds in 1936, supporting the statement of the Economic Council of Nova Scotia that "The Canadian dried fish industry in the past year registered a new low production figure within the memory of anyone now living."

Blame for the loss of such primary markets as Cuba, Dominican Republic, and Puerto Rico was laid at the door of preferences to the British West Indies which were entered into by Canada in 1926 against the pleas of the entire industry.

Coincident with the decline in dried fish exporting, fresh fish landings increased from 22,000,000 pounds to 28,000,000 pounds. The result of this was to force down returns in these branches to an unprofitable level resulting in distressed prices. Revival of dried fish exports was seen as the key to relieving this pressure.

The steam trawler figured in the discussions, but to a surprisingly minor extent.

Recognition was given to the importance of improving the quality of fish sold both on the domestic and export markets. More thorough inspection, extension of Government grading, improved refrigeration during transportation and in retail stores, improved production methods, and increasing the proportion of fresh fish sold in a frozen state, especially in the Quebec and Ontario markets, were suggestions advanced.

Two other points touched on at the meetings were consumer education and co-operatives.

Advertising, motion picture service, demonstrations, and literature were regarded as proper mediums through which to increase the quantity of fish eaten in the Dominion.

Growth of co-operatives in the fishing districts was attributed to alleged discriminatory prices charged the fisherman for his goods on the one hand and the abnormally low prices quoted him on his product. To carry this trend to its logical conclusion it is now suggested that it might be advantageous for a selected group of fishermen to own and operate a trawler on the co-operative basis.

In some outside quarters it is suggested that the fisherman be given a guaranteed price for his product, thus placing him on a par with other primary producers such as wheat growers in the West.

Nova Scotia's fishery production ranks second in Canada with an annual output of approximately $10,000,000.

Defer Dividend Of Steel Wares

Action Awaits Outcome of Business in Fall Months

From Our Own Correspondent

MONTREAL.—Directors of General Steel Wares Ltd. are not taking any action in regard to preferred dividends until results for the latter part of the year are apparent.

Dividends on the new preferred stock issued under the reorganization plan are cumulative from May 1 last. Thus, the first quarterly dividend was due on August 2. Directors, however, decided not to declare a dividend at this time.

Sales of the company in the first six months of the year were 9% less than in same period last year and prospects for the latter part of the year are regarded as favorable. In view of the improved crop conditions in western Canada the company expects sales in that territory will show a material increase. In normal years western Canada is an important market for the company's products.

May Pay In October

In June sales were higher than in the corresponding month last year. If this trend continues then it is probable directors will consider paying a dividend in October. It is even possible two quarterly payments will be declared at that time.

Dividend action is entirely dependent upon the trend of earnings. Last year the company earned $12.34 a share on its preferred. Similar earnings this year would enable the company to pay the full dividend rate. The accumulated deficit of $79,332 shown by the balance sheet at the end of 1937 has been eliminated.

Credit-Foncier Profits Better

Net Profit of $391,586 Reported for 1937—Assets Down

Net profit of $391,586 for the year ended Dec. 31, 1937, is reported by Credit Foncier Franco-Canadien. This compares with $376,816 in the previous year.

Total assets declined to $39,143,840, from $40,224,471, and mortgages dropped to $29,820,679 from $31,641,688.

Shareholders' Position	1937	1936
Rate earned on com.	$3.92	$3.77
Divds. paid on com.	110 fr.	75 fr.
Net profit	$391,586	$376,816
P. & L. surplus	297,508	285,893
Creditors' Position		
Debentures	$17,012,566	$17,306,552
Secured by:		
Liquid assets	4,700,936	4,107,871
Mortgages	29,820,679	31,641,688
Other net assets	4,622,225	4,474,913

Walkerville Brew Sales Rise But Profits Down

Net profit of Walkerville Brewery for the first six months of 1938 was $7,637 against $8,275 in the corresponding period of 1937. The 1938 figures are after deduction of $15,868 for depreciation while $15,319 was set aside for this purpose in 1937.

Current assets were $459,478 at June 30 and current liabilities $141,973, leaving working capital at $317,505 against $353,184 at the end of 1937.

L. A. Irion, managing director, reports that sales are up 5% for the first half of 1938, chiefly due to an increase of 16% in bottled beer. This, Mr. Irion points out, contrasts with a slight decrease for the brewing industry as a whole during the period.

The company has completed a 60,000 gallon cellar during the period.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
B. A. Oil	*4%	1945	Sept. 1	101½
Ham. Cotton, A	5½%	1948	Sept. 19	103
Ottawa L. H., A	5%	1957	Oct. 1	103
McColl-Fron., A	6%	1949	Oct. 1	103

For sinking fund purposes: *$225,500.

STOCK REDEMPTIONS

	Rate	Class	Due	Price
Bk. of Canada	4½%	A	Aug. 15	$59.20

Bond Tenders

Aug. 8, Amos, P.Q.—$40,000, 4, 4½ and 5%, dated June 1, 1938, redeemable by series of $8,000 each June 1, 1958, 1959, 1960, 1961 and 1962. Gaston Roberge, clerk.

8 p.m., Aug. 15, Joliette, P.Q.—$45,500, 4%, dated May 1, 1938, redeemable serially in 30 years. Camille Bonin, sec.-treas.

Asbestos Corp. Profits Hold

Results in Current Year to Date About Same as a Year Ago

From Our Own Correspondent

MONTREAL.—Operations and sales of Asbestos Corp. continues at a high level and profits in the current year will be at east equal to 1937 earnings unless there is a falling off in business in the latter part of the year.

During the current year, volume of sales has been somewhat lower, but sales in value have been higher. The increase in value of sales is due to an increase of 15% at the end of 1937 in prices of the company's products. This increase has offset the small decline in volume and higher labor costs.

As regards the remainder of the year the outlook is indefinite. Because of its dependence on foreign markets it is difficult to measure prospects. About 99% of its production is shipped to foreign countries. Thus, the domestic market is of little importance to the company.

During the current year there has been a sharp drop in the company's sales to United States, which is an important market. However, this has been largely offset by increased sales to Great Britain, European countries and others.

At the present time the company is operating four mines whereas five were operated at this time a year ago. For the time being operations have been suspended at the Maple Leaf Mine, which produces short fibre. The increase in demand for short fibre has been much less than for other grades. Furthermore, the United States is the big market for short fibre. Any improvement in the situation there would result in better demand for this grade.

Earnings of the company this year to date are stated to be about the same as a year ago. Last year, net profit of the company are equivalent to $4.44 a share on the common stock.

Recently there have been rumors the company may split its common stock four for one. Such action has not been discussed by the directors

Check on Supplies For Plane Plants

(Continued from page 1)

pieces, and for bracing units, the Canadian industry is, of course, in a particularly advantageous position. This raw material is cut from Canadian forests (chiefly from the Sitka spruce stands in B.C.), given primary treatment in Canadian mills, and finished for assembly in aircraft woodworking shops.

But construction of modern aircraft, particularly of the larger bombing planes such as Britain wants from Canada, calls increasingly for frameworks and bracing of metal. Such requirements — steel tubing for fuselage, for instance—call for stringent specifications, and there is no normal demand for such specialities to justify production in Canada.

Forgings and Castings

Canadian production of steel forgings and castings of the standards required for aircraft is on a limited basis, but has made some headway in the past year or two. It has been demonstrated that Canadian plants can produce such units for aircraft, provided sufficiently rigid control is exercised at all stages of production. Smaller pieces such as nuts, bolts, screws, clamps, are obtained largely in Canada.

Aluminum castings for aircraft are now being produced by Robert Mitchell Co., Montreal.

Canadian aircraft factories have also found Canadian sheet metal generally satisfactory for such requirements as gas tanks, metal trim, steps, etc. Demand has not been sufficient, however, to justify Canadian production of sheet aluminum and alloys of aluminum or other metals for planes made with "metal skin" covering of wings and fuselage. Prospects of the British war plane orders is reported to have raised the possibility of plants being established to meet such requirements. This would involve outlay of several million dollars, mainly by Aluminum Co. of Canada.

Fabric Covering

Cotton and linen for planes built with fabric covering can now be produced by Canadian textile companies, such as Dominion Textiles and Canadian Cottons.

In regard to the aircraft paints and varnishes, and the cellulosic "rope" with which fabric is impregnated to make it tough and taut, Canadian industry has been able to meet requirements satisfactorily. Canadian Industries Ltd. and International Paints are active in this field.

Such items as aircraft tires, radios, wheels, landing undercarriage, floats, skis, electrical wiring, and simple fittings, are made in Canada for aircraft producers. There is a question, however, as to whether existing producers of such equipment are presently equipped to provide items of this nature of the special types and in the volume required for British orders.

Unobtainable Here

For instance, aircraft radio and parts were listed in the roster of materials and equipment unobtainable in Canada, compiled by Trans-Canada Air Lines for the Canadian Manufacturers' Association. This list referred particularly to requirements for the big transport planes purchased by Trans-Canada for its projected trans-Dominion service.

Other items on the Trans-Canada list included aircraft engines and propellers, aircraft instruments such as gyroscopes and altimeters, ground station radio units, shop machinery and equipment, and instrument testing equipment. The necessity for importing such requirements also applies, almost without exception, to types of planes smaller than those acquired by Trans-Canada.

Some Imports Required

If British orders developed a sufficient demand, it might be possible to produce in Canada on an economic basis such items as carbureters, gear assemblies, engine fittings, and some shop machinery. The demand might well remain insufficient, however, to justify Canadian production of airplane engine blocks, special landing gear, magnetos, crankshaft assemblies, etc.

Probability that some portion of requirements for aircraft building in Canada would have to be imported from England or the United States, or possibly both, is engaging some attention in London. In some quarters, it is suggested that continuity of supplies be assured by tying in American and British concerns closely with any Canadian production plan adopted.

International Set-up

Best way to accelerate Great Britain's aerial rearmament would be to set up assembly plants in Canada in which British, Canadian and American concerns could participate, according to The Economist.

This well-known financial weekly, published in London, sees special advantages in the use of Canadian facilities for overcoming the admitted difficulties that have been met in Britain's rearmament programme.

Canadian firms are not subject to American neutrality laws even if owned by United States shareholders. Embargoes are unlikely unless Canada herself is at war. Setting up of assembly plants, rather than complete factories, in Canada can be done quickly. It will have the advantage, as The Economist sees it, of being scarcely farther from parts manufacturers than many plants in the United States. Tariff obstacles should not present any particular difficulties as The Economist expects that Canadian plants will be organized on the basis of Canadian and American participation.

Need Government Guarantees

"These assembly plants must count on the same governmental financial guarantees as are already being given to similar firms in Britain and Australia," says the article, "but can they count on a parallel rapid expansion in the American firms supplying their equipment and components?" This problem is crucial and the hope is expressed that those carrying on the present negotiations will avoid the 'bottle-necks' that have dogged the building up of air forces in Britain.

"It will, of course, be necessary to ensure to the Canadian and American firms concerned, contracts long enough to warrant expansion of their capacity and its current amortization," adds the British writer, who says that this is already being done in Britain and Australia.

Basic differences in the development of the airplane manufacturing industry in Great Britain and the United States, as reviewed in this article, seem to be that specialization has extended much farther in the latter country. In Great Britain, it seems to be the rule that airplane manufacturers carry out more of the making of the component parts than is the case in the United States where manufacturers of aircraft have been in a sense assemblers of parts.

The Economist concludes that: "If all these problems are solved, as they can be, we may yet see deliveries of large military airplanes across the Atlantic under their own power. More important even than this, however, is the sudden emergence of the North American continent, immune from aerial attack, as the safest and greatest potential airplane factory and air base in the world."

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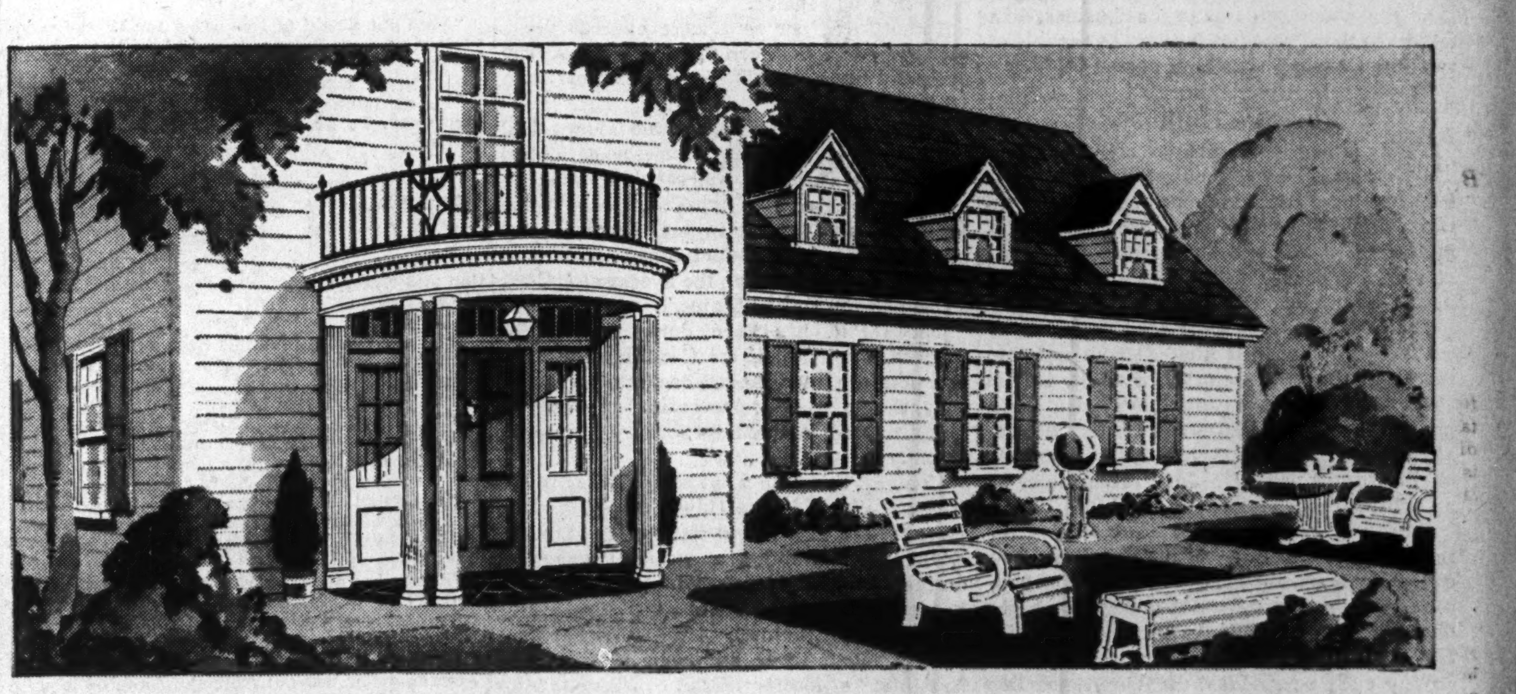

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President—HORACE T. HUNTER
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ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, AUGUST 6, 1938

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

The Public and the Railways

THE Windsor Star points out that the new Conservative national leader has gone out of his way to take what no doubt appears to him to be "the popular side" of the railway argument. But the Star is far from sure that it is the popular side. It adds:

"The number of Canadians who are demanding a solution of the question, demanding effective action to reduce the staggering millions wasted annually in deficits—out of taxes—is increasing daily."

There is common sense in this. In the ultimate analysis, the common sense of the public exerts itself on all great issues. The most potent factor in politics is not jobs for jobholders but taxes taken out of the pockets of the average citizen. Down the ages more governments have been thrown out of office, more revolutions have occurred because of wasteful expenditures and unnecessary taxation than for any other single reason.

The newspapers which insist that there is no railway problem to be solved, and the newspapers which insist that whatever problem there is will disappear as business improves find it difficult to prove their case logically or statistically. This explains the appearance, as a substitute for reason, of such childish abuse as this in one of Canada's great national organs of public opinion which, like Mr. King and Dr. Manion, has decided that the way to solve the railway problem is to approach it with a mind closed to all reasonable proposals:

"Actually, for the most part, this so-called 'railway problem' is largely psychological. A certain type of financial writer, obsessed with a certain kind of jargon, has got into the habit of writing about the 'railway problem' (often without information and sometimes foolishly) and can't seem to get out of it. And so with certain business leaders."

Those "certain business leaders" who think it is time we got about the jobs of introducing efficiency into transportation in Canada and of reducing taxation, will be surprised to learn how foolish and ignorant the Ottawa Journal thinks they are.

Making Us "Export-Conscious"

THE practical results of the work of Canada's 34 trade commissioners, scattered around the world, are seen in the books of thousands of Canadian companies. They are reflected in the pay envelopes of Canadian workers and the income of Canadian farmers, fishermen and other primary producers.

Having set up a sales and service organization to build up and maintain $4 millions daily of exports, the Department of Trade and Commerce is only following through with sound merchandising methods when it advertises its services to the producers of Canada. The department's current advertising campaign is helping to make Canada even more "export-conscious."

Perhaps it is because he is a businessman himself that Mr. Euler, the minister, appreciates the value of making a business-like appeal to those who produce goods capable of swelling Canada's stream of export trade.

Floating Holidays

THE unhappy absurdity created when Dominion Day this year fell on a Friday, thus leaving a Saturday morning to break up what would otherwise have been a splendid midsummer holiday for hundreds of thousands of working people, attracted much attention in the press throughout Canada.

The Financial Post's editorial reference to the subject has been quoted from coast to coast. In the vast majority of cases, editors agree that no harm could have been done, and much good would have resulted, if Canada's National Birthday had been celebrated on the first Monday in July rather than on an artificial calendar date.

Curiously many editors find themselves reluctant to include Armistice Day—now called Remembrance Day—in the list of holidays which might, with due respect, be observed on the Monday of the week in which Nov. 11 falls.

Why such misgivings? Remembrance Day is used to honor the heroes of all of Canada's wars. Nov. 11 happened to be the last day of the greatest of those wars but there were other dates, even in that war, that could have been selected, such as the date of Vimy, or the date of the landing of the first Canadian troops in France.

The most touching and sincere recognition given to Armistice Day is always given in the churches of Canada on the Sunday preceding Nov. 11. This Sunday is never a fixed date.

Only a limited number of business houses now observe Remembrance Day as a holiday. If Remembrance Day were observed on the Monday of the week in which Nov. 11 falls it is likely that, in time, all firms would observe it.

Hardware and Metal has been surveying the retail merchants of Canada on this subject of holidays that float around in the middle of the week. It publishes replies that indicate that a large proportion of the retail trade of Canada would like to see all statutory holidays, with the exception of Christmas and New Year's, fall on the nearest Monday.

Has Canada Learned Its Lesson?

THE Regina Star, always the strongest supporter of the Bennett-McFarland stabilization operations, sums up what it considers the returns, direct and indirect, from "that tremendous and courageous experiment."

"1. A net profit on the operations of the Board of $9,628,881 was made and accumulated to the benefit of the Dominion.

"2. Western Canada was saved from complete demoralization while the price of wheat was the lowest in history.

"3. The farmer's troubles of drought and small crops would have been multiplied if he had to sell on the open market. He would not then have received in return his monetary outlay on the crop without the Board's help.

"4. The farmer did in fact receive a higher price for his grain through the stabilization operations, as Mr. Justice Turgeon pointed out in his report. This inured to the benefit of the whole Dominion."

The Star invites the comment of The Financial Post on its appraisal.

The Post is happy to oblige.

1. At the time Mr. McFarland turned over the wheat account there was a loss of $15,856,646. That was the result of his speculating and holding policy.

When Mr. Murray took over the wheat and adopted a selling policy he turned the loss into a profit of $9,628,881.

It was the Murray *selling* policy that won, the McFarland *holding* policy that lost.

However, Canada lost $11,907,679 fixing a minimum price on 1935 and 1936 wheat.

Thus our depression wheat operations resulted in a net loss to the Dominion of $2,278,798.

2. The price of wheat reached the lowest price in modern history one year after Mr. McFarland's stabilization operations began.

3. Justice Turgeon says the farmers received the "immediate benefit" of the policy but, citing the "bad effect on overseas customers," he says "our export market suffered."

He urges that if similar conditions occur again we seek to meet them by some other form of intervention.

4. "Mr. McFarland agreed that the success of the holding policy depended on nature reducing the surplus by short crops," says Justice Turgeon.

For four years Canada has had disastrously short crops. Canada was saved from a loss many times the $15 millions deficit that Mr. McFarland piled up only by a disaster infinitely greater in its economic and social aspects—the disaster of drought and crop failure.

The hazardous, gambling policy of wheat price stabilization cost Canada plenty and, in injured markets, will continue to cost us plenty for years to come. Let us hope that Canada as a whole learns well its lessons, as repeatedly emphasized by The Financial Post and underscored by Justice Turgeon.

Railway Obsolescence

SPEAKING at the annual meeting of the Canadian Pacific Railway two months ago, Sir Edward Beatty analyzed in detail the present condition of the company's rolling stock and equipment. One thing he talked about was steam locomotives.

He said the company had 1,955 locomotives. Their average age was 25.7 years. Only 84% were in good repair.

Twenty-five per cent were over 30 years old; 60% were between 21 and 30 years. The company has only 123 locomotives less than 10 years old.

Sir Edward said considerable money had been spent to "postpone obsolescence and to effect greater economy and efficiency of operation." He noted that there had been "progressive improvement in fuel performance" and that the rate of fuel consumption was substantially lower than the average for Class I roads in the United States.

The C.P.R. has been doing its best at modernization as has the Canadian National. But both are handicapped because the capital they should use for increasing efficiency is being wasted in senseless forms of competition.

Contrast this with what is happening in the largest railway in the United Kingdom. The story is told in a recent issue of the London Economist containing a special supplement on the London, Midland and Scottish Railway headed by Baron Stamp.

Since 1923, when the British railways were amalgamated, there has been a "wholesale slaughter" of locomotives of constituent companies. A "virtual revolution" has been effected.

Over 3,500 new locomotives have been built. By the end of 1938, not one locomotive taken over from three important lines absorbed in 1923 will remain in active service. Hundreds of the older locomotives belonging to the famous Midland Railway "have gone to the scrap heap."

The reason, of course, has been to effect economy of operation and increase efficiency.

In 1923 there were no fewer than 393 "types" of locomotives in use. This is now down to 220 and is being further reduced to 136. Standardization is increasing the efficiency of construction and repair shops; permits the time necessary for repairs to be reduced from weeks to days.

In 15 years the company has weeded out 2,500 locomotives; has cut the number of awaiting repair to one fifth. Although train mileage has risen sharply and speed of trains has increased, coal consumption and expenditure per train mile have fallen.

When the Senate railway committee meets again next session, it should probe carefully this question of railway obsolescence.

Most of Canada's railway equipment is hopelessly antiquated in terms of present-day standards. It may take hundreds of millions of dollars to rejuvenate it.

Had Canada tackled her railway problem years ago, the huge sums spent to maintain wasteful duplication and competitive extravagances could have gone to rebuild the roads along modern lines.

What's Happening at Home

JUST a typical Canadian community weekly is the Vernon News, whose 3,884 copies a week go out among the people of the lovely Okanagan Valley of British Columbia.

The Vernon News has a good editorial page. There were seven editorials in the last issue. Every one of them dealt with some local problem or situation. No ranting at Hitler; no attempt at a long distance interpretation of Franco's bombing or the Chinese war; nothing at all about the Herr Henlein's Sudeten Nazis. Just readable stuff about the fruit growers' contracts; the abandonment of a local railway line; a new park near by; the need for homes in the Valley; good fishing in the lakes, and so on.

It's that sort of thing that makes Canada's country weeklies so genuine and necessary a part of the life of every community from coast to coast. They talk about the things that people are really interested in.

To the average man a new roof for the verandah is more important than a new dam on the Ganges. And who would stop to read about a minor war in Europe, if the neighbor's kids were blacking each other's eyes?

Editorials in Brief

Toronto's Communist daily does not like the series of articles on rackets that the Globe and Mail of that city is running. "Why pick on the little rackets?" it wants to know.

Is it part of Communist philosophy that dishonesty is not dishonesty unless it is practised on a big scale?

One of the biggest rackets in Canada is raising money to support "Canadian" volunteer soldiers fighting in the Communist brigades in Spain and using a large part of the money to carry on Communist propaganda in this country.

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A Toronto controller advocates a $1 tax on every tenant to cover social services.

Whether in this form or not, a way will have to be found to provide for direct taxation of those who are not property owners in our heavily assessed, over-taxed cities.

A poll tax or head tax on all who do not own real estate of a certain minimum assessment might do more to check civic extravagance than any other action that could be taken.

There are too many people voting for policies that involve heavy expenditures of public money without any serious responsibility for sharing in the payment of the bills that later have to be paid.

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This item appeared in the "100 years ago" column of a London newspaper the other day:

"Mr. Labouchere, in moving for leave to bring in a Bill for the conveyance of the mails by the railways, said the Post Office had been deprived altogether, in certain cases, of the power of carrying the correspondence of the country, because, where railways existed, in all the parallel lines of road the traffic by stage coaches was absolutely put a stop to. The Post Office, therefore, would be obliged to have recourse to the agency of the railways, or suspend the transmission of letters altogether."

Now railway lines are being abandoned in many places because buses, trucks and private motor cars are taking the traffic. The highway has come into its own again.

Thus has the wheel of transportation made a full turn in a century.

Sayings of the Week

"Radio is indeed a surprising and whimsical child."—*Paul Whiteman.*

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"One doesn't have to resort to suggestiveness to be amusing."—*Ed Wynn.*

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"Every nation comes on evil days. That's written in human bones."—*Cardinal Hayes.*

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"Banking is a franchise that carries responsibility, not merely a privilege."—*Jesse H. Jones.*

• • •

"I am not afraid of tomorrow for I have seen yesterday and I love today."—*William Allen White.*

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"Times have always been troublous while men have always been troublesome."—*Will Durant.*

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"The older and wiser know that nothing is of value unless it can be shared."—*Mary Roberts Rinehart.*

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"There is no escaping the fact that diet, nutrition and world welfare are closely enmeshed."—*Lord Astor.*

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"All my wealthy friends have only one topic of conversation. They talk about taxes."—*Alexander Korda.*

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"The exploitation of industry by regimentation means the death knell of individual enterprise."—*Alfred P. Sloan, jr.*

• • •

"The small town is coming into its own—that is a bow of commerce arching the sky of this nation's future."—*W. J. Cameron.*

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"A mood of deep uncertainty hangs over every activity of American life. The outlook is far from cheerful."—*Fiorello H. LaGuardia.*

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"Popular music since the dawn of jazz has been more or less cut from the same cloth with minor changes."—*Paul Whiteman.*

• • •

"It is a general opinion in industry that the depression could be turned around in sixty days by simply letting the profits and capitalistic system work."—*Hugh S. Johnson.*

• • •

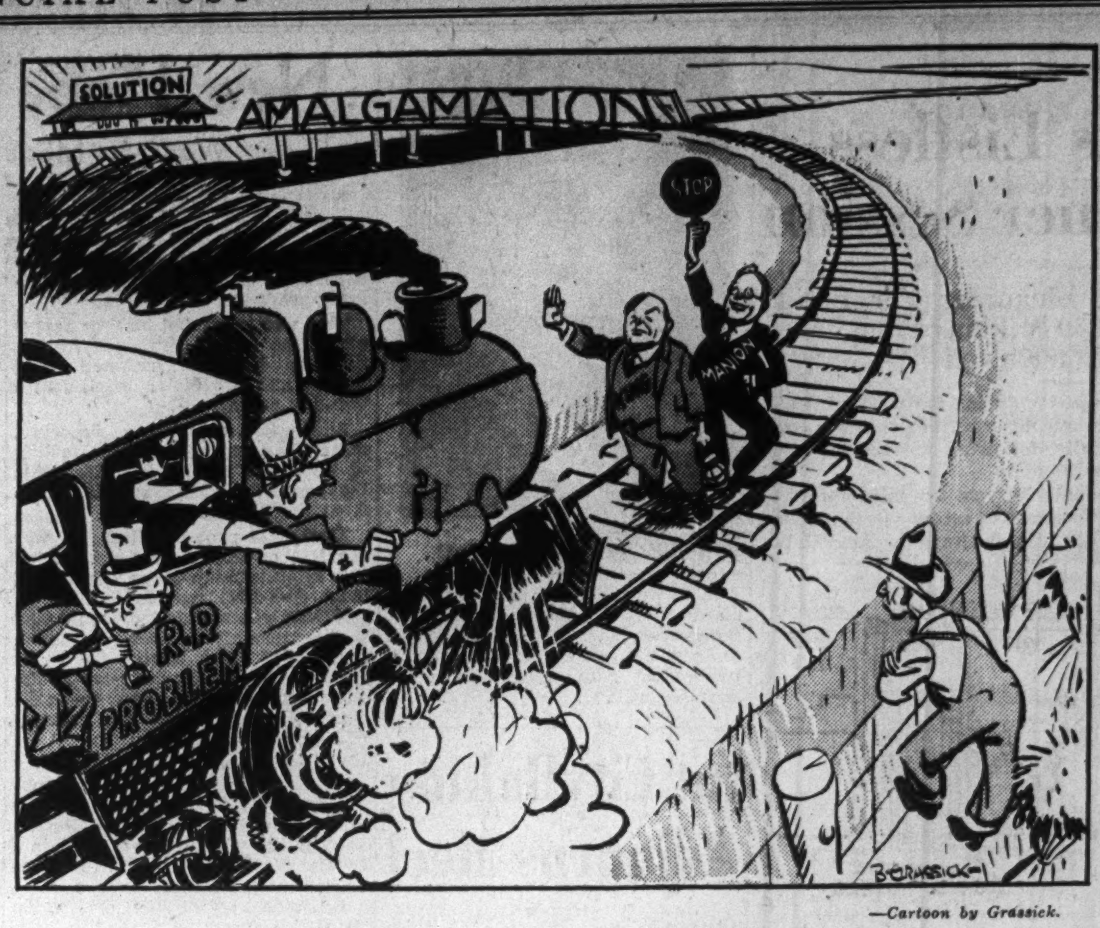
"Co-operation and competition scarcely seem suitable bedfellows. Co-operation and compulsion seem almost less suited for companionship."—*Sir Edward Beatty.*

• • •

"The debtor who cannot pay his debts by reason of circumstances beyond his control is not only entitled to sympathy—he is entitled to adequate relief."—*G. W. Geddes, general manager, Northern Life Assurance Co.*

• • •

"One conclusion I have arrived at is that with the exception of reading, writing and arithmetic, after school life, a boy forgets 99% of what he has been taught at school. It does not matter very much what boys are taught, so long as they are taught well and work hard and efficiently."—*Professor W. L. Black, Director of the National Physical Laboratory of Great Britain.*



—Cartoon by Grassick.

"NO, MISTER, YOU MUSTN'T GO THIS WAY!"

Post-Scripts . . . .

The "Country Doctor"

From the practice of medicine in remote Blind River in northern Ontario to organizer of the National Conservative party is a long step.

J. M. ROBB

But Dr. John M. Robb has already demonstrated his executive ability and his friends are confident that once again the country doctor will do a good job.

Dr. Robb was Minister of Health in Ontario's Henry Government and he did his job so well that even other doctors were pleased—a unique achievement. He reorganized the whole Ontario hospital system in such a quiet way that few realized that far-reaching changes were taking place. The smaller hospitals, particularly, felt the results of his work.

When he arranged for the payment of physicians attending patients on relief, he took Ontario's first step toward state medicine.

For an organizer the doctor possesses the quiet qualities that avoid disputes. He has always been content to let others take the credit. He has never been a back-slapping politician.

A typical action was spending a year in the General Hospital in Toronto after the defeat of the Henry Government, brushing up on medical developments before resuming his practice in Blind River.

How many men, after serving as Minister of Health or "senior doctor" of a whole province, would thus go "back to school" for a year before undertaking responsibility for a group of patients?

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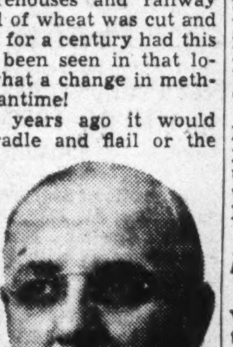
Downtown Farmer

Industrial Hamilton rubbed its eyes the other day. In the midst of factories, warehouses and railway sidings, a field of wheat was cut and threshed. Not for a century had this sort of thing been seen in that locality. And what a change in methods in the meantime!

A hundred years ago it would have been cradle and flail or the crudest sort of reaper hand-tied sheaves and slow, tedious work with horses or oxen on a threshing floor. Last week, International Harvester Co., of Canada, demonstrated farming in the modern manner. A single machine, a new baby combine, went over the field once and the job was done. Eight acres of standing wheat disappeared in a few hours and in its place was a big pile of bagged grain and long, neat rows of straw.



F. M. MORTON

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Friends of big, genial Frank M. Morton, Harvester's vice-president and resident manager, were amazed. They marvelled at the fine stand of wheat flanked by coal piles, twine mills and employees' gardens. They gaped when that field vanished into an automatic machine, trailing behind a rubber-tired tractor. They associated harvesting with tired backs, blisters, thistles and dust. Here a single operator was doing the whole job with the same effort that is required to drive an automobile slowly. Later, they marvelled again when, at luncheon, there were served muffins from part of the wheat they had just seen cut.

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It was a dramatic demonstration, but Frank Morton sighed with relief when it was over. That field had caused him a lot of worry and was responsible for him missing some easy putts and letting some big trout get away. Wet grain is too tough to cut, too soft and damp to store safely. On the original day set for the demonstration it rained. The event had to be postponed. In the meantime, it looked like an even race between sparrows, natural shelling or shattering in the field and the baby combine. Odds favored the Hamilton sparrows, never before presented with free food in such generous quantities. But Frank Morton's luck held as it has held ever since he joined International Harvester 33 years ago. The field was not ruined nor were the muffins burned.

• • •

Deserting for Loyalty

How every warrant-officer and non-commissioned officer, with one exception deserted a Canadian Regiment was told by Lord Cromwell, president of the Canadian (England) Ex-Service Men's Association, at a dinner given by the Association in Leicester, England, the other day.

Lord Cromwell said he was cow-punching in British Columbia in 1914 when rumors of trouble in Europe reached the cattle-rangers. With other cowpunchers, he rode to Kamloops, and joined the British Columbia Horse two days before the war was declared.

When the regiment was on the Plains of Abraham it was learned that the Canadian Government intended to convert its yeomanry regiment to infantry.

"So every warrant-officer and N.C.O., with the exception of one, promptly deserted," said Lord Cromwell. "We simply walked out, and joined up with Strathcona's Horse. Thus, I am a deserter from the British Columbia Horse, and have never received a pardon for that offense."

The only N.C.O. who did not desert, he added, was made Regimental Sergeant-Major of the British Columbia Horse the following day.

Lord Cromwell, who arrived in England with Strathcona's Horse, afterwards rose to the rank of Major in the King's Royal Rifle Corps.

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Smith Makes Good

You can't keep the Smith's out of the news.

The election of J. J. Smith of Regina as vice-president for Canada of Kiwanis International at the latest convention of this body, held in California is interpreted by the Leader-Post of his home city as a striking tribute both to Mr. Smith and to the Regina Kiwanis club.

Mr. Smith, who is deputy minister of municipal affairs for Saskatchewan, has already held important offices in the Kiwanis movement. He has been president of the Regina club. He has been lieutenant-governor of the western Canada Kiwanis district. Now he ascends to the second highest honor in the gift of Kiwanis International.

Mr. Smith is also president of the Regina Canadian club. "For long years he has been one of the most useful citizens in a public way that this province has had," says the Regina newspaper.

Long Way from Home

The other day we got a letter from Ver. Bureau Voor Handelsinlichtingen whose office is on the Oudebrugsteeg in Amsterdam. We do not know any Hollandese but this sounds very much like the Office for Trade Relations on Old Bridge Street.

The director is W. V. Chambers and he seems to be doing a great deal of very good work in keeping Netherlands exporters informed on conditions abroad and in carrying on propaganda within the Netherlands for the produce of other countries.

What interested us most about Mr. Chambers was the statement in his letter that he was born in Canada, on the smallest island of the Magdalena Islands group, namely, Grindstone Island. His father was a missionary on the island and in time moved to Holland to become secretary of a mission ship. The younger Chambers was then eight, and having escaped being frozen to death on his Dead Man's Isle in the St. Lawrence gulf, he accompanied his father to Holland. He too, went into missionary work among the sailors and in time got into his present work.

He has over a million names on his various mailing lists (which made us feel very nice about getting a personal letter). He must have used them to good advantage because he is a knight of the order of the Oak Crown of the Duchy of Luxemburg and holds the French order of Officier de l'Instruction Publique.

Which all proves that the way to get on in life is not to keep your nose to the "Grindstone."

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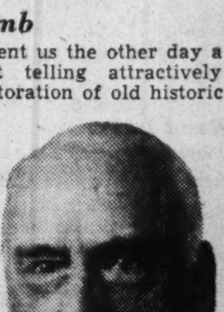
Tom's Tomb

Some one sent us the other day a little booklet telling attractively about the restoration of old historic St. Andrew's Church at Niagara-on-the-Lake. The technical exposition of the work by Professor Eric Arthur, who was in charge of it, was interesting. But the most arresting item in the booklet was concealed in a reproduction of the inscription that appears on a new marble dedication tablet in the church. Two lines of this description read:



THOS. FOSTER

"Restored through the generosity of Mr. Thomas Foster, three times mayor of Toronto."

There are not many men who would write out their check for some thousands of dollars to pay for restoring a church with which they have had no important connection. Yet Mr. Foster did so in this case; did so because his friend, F. D. L. Smith, asked him.

No one thinks of Mr. Foster as a wealthy man. He has never had a reputation for being an abundantly generous or philanthropic person. In fact most people who know of Mr. Foster probably harbor the belief that he is, well, just a little tight with his money. His personal economies when he was mayor of Toronto were often the subject of sallies and smiles.

• • •

There is one thing that Mr. Foster has done on an expansive scale. Maybe it was in order to do it, that he has so carefully saved and invested his money all these years. He has built himself a tomb near Uxbridge, about 25 miles out from the centre of Toronto. We haven't seen it but those who have say there is nothing else like it in Canada. The inspiration for the design was obviously the Taj Mahal. The finest marbles have been brought from different parts of the world and fashioned by expert craftsmen to create a mausoleum that should be a land mark and tourist attraction in the neighborhood for generations to come.

Mr. Foster in public life may have been colorless and dull. His collars may have been the most old-fashioned in Toronto. He may have become a legendary prototype of the Frugal Man. But in death he will rest in such state as no one else in Canada has ever achieved.

As Others See Us . . . .

Muffing His Chance
St. Catharines Standard

Canada wants all the British business possible to get, including munitions manufacture, aircraft, explosives and all the rest of it. But as The Financial Post declares this week, Prime Minister King has muffed the chance to show the world that Canada stands for the same principle as other British democracies.

Newfoundland in the Making
Evening Telegram, St. John's

With its issue of July 9 The Financial Post publishes a supplement for the most part devoted to Newfoundland. The illustrations give an effective impression of the country's scenic attractions, its opportunities for the sportsman and its industrial activities and potentialities. Mr. Norman A. White, staff writer of **The Financial Post**, who spent some time here recently, covers in a series of articles, in all of which there is a tone of optimism, the present industrial, financial and economic position and the general outlook. Some of his observations are quoted and, since it is frequently the case that an outside view is more revealing than that from a close point of vantage, they are deserving of study . . .

Holiday Suggestions
Regina Leader-Post

The Financial Post, Toronto, makes the suggestion that Dominion Day, instead of being observed necessarily on July 1 each year, be fixed as the first Monday in July. It points out that this year, with Dominion Day on a Friday, many persons had to go back to work for a half or full day on Saturday, whereas if commemoration of the day had been left till Monday, there would have been, for most people, two and a half days off in a row—Saturday afternoon and all Sunday and Monday.

There may not be many who will disapprove of this suggestion. As it is, July 1 could and does fall on any day of the week and we must keep that specific date as Dominion Day.

How High is Your Tax Bill?
Maritime Merchant, Halifax

It used to be said that if the Canadian people paid more direct and fewer indirect taxes, they would take a keener interest in the affairs of the country. We are not sure that this theory has been proved by practice, for of late years people have been made painfully aware of the fact that they are being taxed but still appear on the whole indifferent to national, provincial and local affairs. At any rate if they do not like the increasing burden of taxes, there is not much they are doing about it. Perhaps there is not much they can do about it, unless they are content to do without public services they feel are so important.

As The Financial Post points out, the Dominion, provincial and municipal governments in Canada spend about $90 per capita per year. We hear much about how heavily the people in the old country are taxed and how bravely they are facing it for the sake of "preparedness." It has been estimated that central and local governments in Great Britain spend about $106 per capita per annum, but as Britain's national income is 20% greater per capita that Canada's, Canadians are really more heavily taxed.

To whatever extent taxation is controllable ought to be a matter of interest to every person in the country. For, take the theoretical family of five and apply the rate of $90 per capita—that means an average tax per family or household of $450 a year. Not every head of a family pays so much, and some pay much more. On the average, however, that is what it means and it is something that ought to claim every taxpayer's interest.

Dominion Day on Monday
Charlottetown Guardian

If the Dominion Day holiday were changed from July 1 to the first Monday in July, it would doubtless meet with very general approval. The celebration on a Friday this year must have suggested to many the desirability of the change, which would make possible the greater enjoyment of a long weekend.

There could be less objection to this change of date than there was to the proposed changing of Armistice Day. Because of the deep sentiment connected with that day, it is almost sacred to many people and they preferred keeping to the exact date. While Dominion Day is our national anniversary and as such is suitably observed in various ways, it is also intended as a joyful outdoor holiday of the summer season.

The pleasure and healthfulness of the occasion would be increased for a great number of people if it were on a Monday, enabling them to spend the long weekend in our ideal vacation fields where the woods and water are always calling, or to make excursions across country to visit their friends.

The Financial Post regrets that, on the recent Dominion Day, while some employers closed their plants or offices on the Saturday morning "in thousands of retail, commercial and industrial establishments, the Friday holiday was largely wasted because employees were forced to come back for a full or half-day on Saturday." The Post strongly favors the first Monday in July for the celebration of Dominion Day, and one of its reasons is that "it would permit equal opportunity and employment for all."

No Broadcasts Anyway
St. Catharines Standard

The Financial Post voices concern over the wisdom of a Manion-Stevens alliance. But it is very doubtful if Mr. Stevens will inspire Dr. Manion in any radical reform series of radio broadcasts, as it is believed Mr. Herridge did with his distinguished brother-in-law. The Conservative leaders have undoubtedly read the lesson gained in the United States, that business and industry require their head and not government interference.

"Out of Debt, Out of Danger"
The Globe and Mail, Toronto

In the current issue of The Financial Post, a staff writer describes Nebraska's method of doing business. The State is out of debt because its constitution—as revised in 1871—commands that it must pay as it goes. The State started without debt, and continued debtless because it was an obligation. This unique situation has had its effect on the people of Nebraska who have an abhorrence of debt.

With this personal attitude toward debt the people of Nebraska are not demanding of their Government foolish expenditure of money. Thrift is the keynote of public business.

Great public debts are not essential in state or province. As a matter of fact, they result from governments buying a continued lease of life at the expense of the people.

Other People's Views . . .

Another Railway Probe
Montreal Gazette

Another railway enquiry by an independent commission of experts may be necessary and might be useful. Such a commission would have the advantage afforded by the country's experience since the Duff Commission reported in Sept., 1932. It would have before it evidence of the limited economies capable of achievement under voluntary co-operation. It would realize the fundamental and obvious objection to any system of compulsion on the basis of majority and minority representation. The Government, probably, would have to accept the findings of such a commission in view of the fact that today there is an aroused public opinion, an element that was lacking in 1932.

The Western Protest Vote
Saskatoon Star-Phoenix

The drastic disposal of Aberhartism in Saskatchewan does not, however, dispose of the revolt of which it was the expression. The grounds for protest continue to exist. And because they continue, another party of protest, another party of reform, will arise. If it does not have to carry the burden of policy aiming at revolution or complete changing of the economic and social order, it may get much further than Aberhart.

As it is, Mr. Aberhart's performance in Saskatchewan, and in Alberta, may have set back the cause of monetary and financial reform for many years.

Stop Me If . . .

"How come you don't like the girls?"
"Oh, they're too biased."
"Biased?"
"Yes, biased. It's bias this and bias that till I'm broke."

Week in Business

Improvement Continues But Level Below 1937

Midsummer Business Conditions in Canada Better Than June But No Big Gains Expected Before Fall — U. S. Recovery Takes Breathing Spell

Canadian business continues to register gradual improvement but the present level remains substantially below this time a year ago. Employment, carloadings, retail trade all were better in July than in June or May.

Further gains along this line are confidently expected in August and by September, provided current improvement in business sentiment is maintained in United States, substantial advances appear almost certain. By that time the generally fair to good crops throughout the Dominion will begin to play a part.

Significant of things to come was the announcement this week of a sharp pick-up in country retail sales. These in June were nearly 2% higher than a year ago for Canada as a whole. There was some recession in the Maritime Provinces and Ontario but big gains elsewhere.

* * * *

Early tourist trade reports have been a little disappointing. Some of the larger and older resorts and a few of the big urban hotels do not seem to have been as fully patronized as a year ago, although preliminary travel statistics would indicate that as many people are on the move as in 1937. It is considered probable that the trade is more spread out and final returns will show tourist spendings not far short of 1937's $295 millions.

New roads, particularly in the Maritimes, Ontario and British Columbia, are continually opening new areas which are proving highly popular.

* * * *

American business appears to be taking a breathing spell. Early this week both security and commodity markets were quieter, carloadings easier. Most observers, however, look for a resumption of recent improvement with excellent activity this fall. But they admit that several "ifs" remain to be ironed out.

Key in the general situation is steel. In the last three weeks production of this basic commodity has risen rapidly, from around 28% of capacity to almost 37. But the United States steel industry is in a bit of a quandary. About a month ago it put through a general price reduction and that move is given credit for much of the American business improvement since. But in the company statements announcing reductions it was intimated that wages would have to come down too. So far this has not been done and the Government is actively opposed. With a good deal of steel going into Government orders Washington is in a favorable position to dictate wage levels.

It is possible, of course, that increased volume of orders will make wage reductions unnecessary. It is also possible, in fact probable, that minor wage adjustments can be made without precipitating an epidemic of strikes such as tied up the United States a little over a year ago. In either case then, United States business recovery can be expected to continue with most favorable results on the outlook for Canada.

Business Indicators

Current business fairly steady with D.B.S. index for third week in July a shade lower than earlier in that month.

Retail trade in June down slightly for all branches from the previous month, up for country districts.

Employment—General index up nearly two points but that for manufacturing slightly down.

Carloadings down slightly third week of July from previous week and off about 12% from a year ago.

Railway net earnings first six months down about a third or $5.6 millions for C.P.R. from a year ago, down $12.2 millions for C. N. R. Gross earnings in first three weeks of July up considerably from recent trend though still running slightly behind a year ago.

Automobile sales in June off about a third from 1937, but cumulative first six months off only 20%.

Construction contracts awarded in July almost equal to same month a year ago but cumulative 30% below a year ago.

Electric power output in June off 15% from same month in 1937, cumulative to June down 8%.

Current trend in Canadian business is shown by The Financial Post index of business activity, with new figures for the week marked thus ▲.

	July 23	July 16	July 9	July 2	July 24/37
Weekly index, D.B.S.	106.7	108.3	108.3	109.1	112.3
Commodity prices	78.6	79.2	79.1	79.9	87.6
	June	May	Apr.	Mar.	Year Ago
Financial Post index	109.6	110.5	109.0	108.9	124.0
Retail trade index no. of sales	....	76.5	76.2	77.9	78.9
Dept. store sales	74.5	73.4	75.8	75.5	77.5
Wholesale index no. of sales	....	95.6	89.4	87.8	95.6
Country sales (% of gains)	1.6	°2.2	5.5	0.5	8.6
Employment D.B.S. Index—					
	July 1	June 1	May 1	Apr. 1	Year Ago
All industries	113.5	111.9	107.4	105.0	119.1
Manufacturing	111.8	112.3	110.6	110.8	119.0
Living costs♦	....	$17.43	$17.36	$17.48	$17.20
				Jan. 1 to date	
Railways—	1938	1937		1938	1937
Carloadings, week (July 23)	▲43,820	49,551		1,267,703	1,383,936
C.N.R. gr. earn., wk. (July 21)	$ 3,296,205	$ 3,704,383		$ 92,203,346	$ 105,978,562
C.P.R. gr. earn., wk. (July 21)	$ 2,519,000	$ 2,688,000		$ 68,626,000	$ 74,789,000
C.P.R. net revenue (June)	$ ▲511,406	$ 1,195,111		$ 2,681,028	$ 8,260,153
C.N.R. net revenue (June)	$ ▲•770,582	$ 435,188		$ •5,679,982	$ 6,667,948
Iron and Steel (June)—					
Pig iron production (tons)	64,375	78,278		404,158	423,944
Steel ingots and castings prod. (tons)	109,401	118,744		670,741	713,177
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (June)	▲9,235	14,380		61,023	76,662
Factory output (June)	11,014	17,919		76,102	97,563
Trucks and Buses:					
Domestic sales* (June)	▲2,389	3,617		15,585	17,736
Factory output (June)	3,718	5,922		25,056	31,008
Exports (June)	5,795	6,809		34,960	34,487
Financing (June)—					
Used	$ 4,395,803	$ 4,690,985		$ 19,471,095	$ 19,226,543
New	$ 3,771,236	$ 5,746,656		$ 20,045,660	$ 23,718,278
Construction—					
Production—					
Cons. contracts (July)	$ ▲21,158,200	$ 21,485,300		$ 101,813,400	$ 131,861,100
Cement, bbls. (May)	▲545,310	557,294		1,418,414	1,337,323
Clay (May)	▲379,824	379,967		1,135,561	1,110,631
Gypsum, tons (May)	110,515	113,570		178,673	215,930
Agriculture—					
Flour prod., bbls. (May)	977,740	900,288		4,541,922	5,058,620
Flour exp., bbls. (June)	299,503	389,995		1,651,331	2,076,707
Wheat exp., bus. (June)	7,275,376	12,180,068		25,783,861	43,724,035
Cattle sales (May)	59,824	54,304		273,523	295,522
Hog sales (May)	59,396	79,135		320,651	439,876
Sea Fisheries (June)—‡					
Catch, cwts.	847,490	759,940		3,108,615	3,072,143
Landed value	$ 2,110,240	$ 2,063,670		$ 6,079,732	$ 6,741,348
Newsprint (tons)—					
Production (June)	201,694	312,165		1,259,871	1,787,760
Exports (June)	194,520	306,645		1,103,286	1,631,583
Mining and Oils—					
Coal prod., tons (June)	▲923,113	1,067,684		6,891,020	7,026,099
Coal imports, tons (June)	▲1,609,610	1,944,920		4,978,557	6,247,986
Gold prod., fine oz. (May)	381,089	340,125		1,827,475	1,628,356
Nickel prod., lb. (May)	18,620,908	18,462,389		92,667,972	90,426,601
Copper prod., lb (May)	48,429,331	41,561,784		243,558,959	201,055,674
Crude pet. prod., bbls. (May)	566,086	192,845		2,381,771	852,500
Crude pet. imp. bbls. (June)	3,931,465	4,461,568		13,451,461	14,364,284
Electric Power Output (June)—					
Total monthly m.k.h.†	▲1,973,155	2,255,338		12,715,039	13,756,132
Trade—					
Imports (June)	$ 58,946,698	$ 75,668,684		$ 336,692,235	$ 380,815,689
Exports (June)	$ 78,307,834	$ 115,297,643		$ 415,679,647	$ 536,274,975
Other Industrial Factors—					
Dressed lumber, exp.:					
M. bd. ft. (June)	166,177	182,191		756,092	862,634
Boot & shoe prod., pr. (May)	1,923,773	2,239,211		9,232,083	10,257,149
Cotton, raw, imports lb. (May)	3,605,041	8,679,224		46,305,322	60,073,701
Raw rubber imp., lb. (June)	7,264,134	8,488,643		25,345,508	33,327,190
Cigarette cons. (June) No.†	631,524	628,744		3,231,858	3,055,861
Sugar manufactured, lb.§	94,408,309	65,774,505		283,874,458	275,509,721
Finance—					
Bank debits (June)	$ 2,730,578	$ 2,891,917		$ 14,585,068	$ 18,186,008
Bond sales (June)	$ 65,510,687	$ 104,300,184		$ 625,852,237	$ 719,382,690
Life insurance (June)	$ 35,120,000	$ 37,700,000		$ 190,049,000	$ 193,116,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to May 21, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
♦For average family per week, food, fuel, rent. •Deficit. °Decrease.

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Canada Bread Profits Rise

Net Profit Increases to $261,924 from $186,892

For the fifth consecutive year, Canada Bread Co. reports an improvement in earnings. For the fiscal year ended June 30, 1938, net profit amounted to $261,924, as compared with $186,892 in the year ended June 30, 1937. Operating profit increased to $546,490, from $472,479 in the preceding year.

C. H. Carlisle, president, told shareholders at their annual meeting that despite a considerable increase in the cost of materials during the year, no increase was made by the company in the selling prices of its products. The betterment was attributed to rapid and increased turnover. Profit on each unit continued low at 1/3 cent.

Amount of first mortgage 6% sinking fund bonds outstanding was reduced during the year to $629,400 from $754,900. Sinking fund has been provided in full to maturity of the bonds in August, 1941. Annual sinking fund of 1% of outstanding bonds became operative Aug. 1, 1911.

Arrears Reduced

Total assets increased to $3,763,635 from $3,737,210; cash to $224,380 from $130,738; accounts receivable to $172,396 from $159,018, and accounts payable, wages and other accrued charges to $223,145 from $216,127.

Full dividends of $5 were paid on the first preferred stock during the year. On the class B preferred $3 a share was paid, $2.50 regular payments and 50 cents on arrears, which brings arrears on this class to $2. Nothing has been paid on the common, the majority of which is held by Maple Leaf Milling.

Mr. Carlisle told shareholders at the annual meeting on July 28 that the essentials of successful merchandising in the baking industry are quality, appearance and price. In 1938, he said, Canada Bread had added 24 new products and now serves 126,000 customers. Principal communities in Ontario, as well as in Montreal and Sherbrooke, Que., and Winnipeg and Portage La Prairie, Man., are covered. Recently distribution centres have been established in North Bay and Sudbury.

Income and Surplus Account
Years Ended June 30

	1938	1937
	$	$
Operating profit	546,490	472,479
Add: Int. on invests.	3,927	4,710
Total net earnings	550,417	477,189
Less: Depreciation	173,667	165,159
Bond interest	43,566	50,693
Prem. on bonds	12,260	16,177
Loss on real estate	......	4,017
Inc. & corp. taxes	59,000	54,251
Net profit	261,924	186,892
Less: 1st pref. divds.	62,500	62,500
B pref. divds.	75,000	62,500
Surplus for year	124,424	61,892
Add: Prev. surplus	130,171	75,579
Less: Addit. inc. tax	......	7,300
Surplus forward	254,595	130,171
Earnings per Share:		
5% 1st pref.: Earned	$20.95	$14.95
Paid	5.00	5.00
5% class B: Earned*	7.98	4.98
Paid	‡3.00	2.50
Common: Earned	0.39	0.20
Nothing paid.		

*Before participation.
‡Including payment of 50 cents on arrears.

Working Capital

	1938	1937
	$	$
Current assets	542,238	559,226
Current liabilities	354,640	327,139
Working capital	187,598	232,087

Foreign Business

United States Department of Commerce summarizes foreign trade as follows:

Argentina—Quietness and a general lack of improvement characterized business in July, although crop prospects were excellent thus far, and business sentiment remained mildly optimistic for the long term outlook.

Brazil—A further decline in business occurred in most of Brazil in July—principally marked in Sao Paulo and the north, but with a slight improvement in the south; export prices generally remained low.

Peru—A slight upturn has occurred in foreign quotations for cotton, sugar, minerals, and wool, but demand for these important Peruvian export products continued generally dull.

Nicaragua—A new law regulating foreign exchange transactions was enacted June 8, but because of the exceedingly dull state of business activity, its eventual effect on Nicaraguan economic life cannot yet be estimated.

Dominican Republic — Some uncertainty exists in commercial circles, but slightly increased cacao and sugar prices induces a more optimistic feeling for the future.

Germany—Both import and export trade was smaller, with imports again in excess of exports; unemployment declined to a new low record.

Belgium—No appreciable recovery has appeared in business but sentiment improved as a result of better domestic financial conditions and more encouraging international developments.

Denmark—A noteworthy degree of recovery occurred in the second quarter of 1938, despite adverse influences from abroad and the continued lag in shipping.

China—Recorded exports increased in June as compared with May, while imports declined, but both were smaller than a year earlier.

Japan—Several depressing factors disturbed business during the week ended July 16, including apprehension over consumption control and price fixing; exports of raw silk and rayon have declined.

Ontario Steel Products To Pay Common Dividend

Ontario Steel Products is expected to report a considerable reduction in earnings for the year ended June 30, 1938, as compared with the profit of $101,882 shown last year. Last year's net was equivalent to $1.49 a share on the common.

The company has declared a dividend of 50 cents a share on its common stock, payable Aug. 15, 1938, to shareholders of record July 30. This is the first common dividend to be declared since 20 cents a share was paid on Nov. 15, 1931. Regular quarterly dividend of $1.75 will be paid on the preferred on the same date. Preferred arrears of $16 a share were paid in cash a year ago.

Background of Business

What Are Wages?

The recurrent argument as to whether bonuses or shares of profits are to be considered as wages is revived in a recent ruling of the Quebec Fair Wage Board. The Board was asked whether the administration levy of ½% on wages under fair wage ordinances applies to gratuities, bonuses, etc. The ruling is that the tax does not cover bonuses paid voluntarily and which the employer is free to pay or not at his own discretion. Levy will be collected on bonuses or profit shares paid in accordance with definite agreements with workers, entitling them to stipulated amounts or percentages in accordance with fluctuations of sales and profits.

A similar point was raised recently in a dispute between the Coleman Lamp & Stove Co. and the Ontario Workmen's Compensation Board. When the company instituted a policy of supplementing wages with profit sharing, the Board ruled that compensation assessment was payable on the profit-sharing payments as well as on the wages paid, contending that the combination of the two constituted a regular method of paying employees. This was protested by the company, which felt that the Board's attitude discouraged industrial firms from trying to improve dealings with their workers and seeking to share prosperity.

* * *

Foil Factory

Construction and operation of the aluminum foil plant being built at Cap de la Madeleine, Que., at an estimated cost of $1.2 million for building and equipment, is to be directed by a specially formed subsidiary of British-American Tobacco Co. of London, Eng. It has already been incorporated under Dominion statutes under the name of International Foils Ltd. Its offices are in the Montreal headquarters building of Imperial Tobacco Co. of Canada, in which British-American holds a controlling stock interest.

Entire production of the Cap de la Madeleine plant will be exported for use by British-American Tobacco Co. and its allied and subsidiary companies. Construction of the factory is being supervised by R. T. B. Schreiber, sent to Canada for this purpose by British-American.

* * *

World Trade Gains

The value of world trade in 1937 decreased by 23%, according to a survey by the Economic Intelligence Service of the League of Nations. As the price of goods entering world markets, however, increased by almost 10%, gain in volume is estimated at about 13%. Total volume was within 3% of the level of 1929.

Trade in raw materials, it is estimated, actually exceeded the volume of 1929 by almost 12%, but that of foodstuffs and manufactured articles was 7% and 14% respectively below.

Barter terms of trade of raw material countries, such as the coffee deal of Brazil with Germany, continued to improve from 1932 until, about the second half of 1937, when falling prices for primary products caused a sharp recession. General trade was further disrupted due to the reduction in imports of raw materials by the United States on account of the depression there late last year. Armament programmes in Europe and Japan are credited for the exceptional demand for iron, steel, copper and allied metals and manufactured metals used in the production of munitions.

* * *

Colors Sell

Cynics to the contrary, colors play an important part in sales. General Motors Research officials claim that bright colored cars sell best in prosperous times, definitely lose appeal when would-be purchasers become more tight fisted. In such mundane things as kitchen cutlery and equipment, spoons, knives, ladles or pots with colored handles will generally outsell those lacking the brighter tints.

One would imagine that farm implements are appraised from strictly a utility standpoint. One large Canadian company, however, admitted the other day to a newspaperman, that when it dressed binders, seeders and even manure spreaders, in a brand new set of colors sales picked up.

* * *

Cut Prices But No Goods

Apparently there have been numerous cases in Ontario recently of retailers featuring cut prices on certain items and then having insufficient of these lines on hand to satisfy customers. At any rate the Toronto Business Bureau reports many complaints along this line. Sometimes, according to Drug Merchandising, customers are only permitted minimum purchases without previous warning, sometimes sales have been refused altogether.

To avoid ill feeling the Better Business Bureau suggests that all such advertising in future should, where quantities of goods are limited, clearly point out this fact. It further advises against any featured advertising unless volume of goods on hand is sufficient for a reasonably generous distribution.

Commodities

Highly speculative crops continue to dominate the commodity market to the confusion of fundamental trends. Spectacular declines in cotton and wheat, both in the critical harvesting stage, have more than offset almost equally spectacular jumps in copper and rubber. The result has been a rather substantial decline in average for the whole list, although majority of lines are firmer.

The conservative bulletin of the National Association of Purchasing Agents points out that if business continues to improve most commodities should work to higher levels by fall, but it does not expect any early repetition of the panicky buying which occurred late in 1936 and for the first few months of 1937.

"Undoubtedly," says the current bulletin, "the overburdened stockbins of last year will be avoided for several months to come, irrespective of commodity price movements, as most items carry possibilities of price protection without the necessity of heavy accumulation of actual supplies."

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$8.00	$7.50	$9.50
Hogs	12.65	13.00	11.25
Copper, lb.	.10⅛	.09⅞	.14
Cotton, lb.	.0872	.0892	.1118
Rubber, lb.	.1612	.1580	.1838
Sugar, raw, lb.	.0275	.0282	.0350
Silk, lb.	.80	1.85½	1.90
Wheat, Man. (bus.)	.92¾	1.00	1.41⅛
Coffee, lb.	.04⅞	.04⅞	.09¾
Hides	.11⅛	.11¼	.17½

Weekly Indices

Canada (D.B.S.)	78.6	79.2	87.6
Do., Wood, Gundy	57.9	57.8	83.4
U. S. Labor	78.7	78.9	87.8
Dow Jones (future)	48.68	49.89	67.31
Crumps (Brit.)	74.0	73.7	83.6
Fishers'	81.6	81.5	92.3

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (June)	84.1	84.2	82.9
W'sale (June)	80.1	80.3	84.6
U. S. (May)	78.1	78.7	87.4
Gt. Brit. (Apr.)	103.1	104.1	108.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

Foreign Exchange

Further declines in sterling featured the foreign exchange market during the past week. On Friday the pound fell to $4.91½ at New York, a new low record for the year. This was followed by a slight recovery on Saturday but on Monday the downward movement was again resumed with the quotation falling to $4.91 7/16.

The further decline again stirred rumors that the currency would be allowed to settle around the old gold dollar parity of $4.86 2/3 to the pound but there was nothing of an official nature on which to base an opinion.

There was little change in the Canadian dollar.

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
July 30	1.00 [illegible]	1.00 [illegible]
July 29	1.00 [illegible]	1.00 [illegible]
July 28	1.00 [illegible]	1.00 [illegible]
July 27	1.00 [illegible]	1.00¼
July 26	1.00 [illegible]	1.00¼
July 25	1.00¼	1.00 [illegible]
U. K. Pound	**Closing**	**Last Year**
July 30	4.93	4.98¼
July 29	4.93	4.98¼
July 28	4.93⅛	4.97¾
July 27	4.93¾	4.98
July 26	4.94	4.97⅞
July 25	4.93⅛	4.97¼

Other Currencies, July 30

Australia	3.94¾	Italy	.0527¾
Belgium	.1695¾	Japan	.2876
Czecho.	.0346½	Jugoslavia	.0234⅝
Denmark	.2201¼	N. Zealand	3.97¾
France	.0276¾	Norway	.2479
Germany	.4029¼	S. Africa	4.92
Greece	.0090¼	Sweden	.2542½
Holland	.5505½	Switzerland	.2288½
Hungary	.1985½	Hong Kong	.3085⅛
India	[illegible]		

Rail Earnings Down in June

C. N. R. Net Earnings Drop $12 Millions in First Six Months

From Our Own Correspondent

MONTREAL. — During the first half of the year the Canadian Pacific Railway suffered less from recession in business than did the Canadian National.

For the six months ended June 30, net earnings of the C.P.R. declined to $2.6 millions, a reduction of $5.5 millions, or 67% from the same period last year.

In June, gross earnings declined by $1,274,018. However, the decrease in net earnings was only $683,702 as expenses were $590,316 lower. This reduction in expenses was achieved although wages are higher than a year ago.

In the first half of the year, net earnings of the C.N.R. fell $12.3 millions, or 185%. Whereas there was an operating surplus of $6.6 millions in the first half of 1937, there was an operating loss of $5.7 millions in the same period this year.

In June, C.N.R. revenues dropped $2,389,657 and expenses were reduced $1,183,887. For the month there was a net revenue deficit of $770,582, compared with a revenue surplus of $435,188 in June last year.

The principal factor in the decline in earnings has been the smaller volume of traffic. In the six months ended June 30 gross earnings of the C.N.R. declined $12.2 millions, or 12.9%. Gross earning of the C.P.R. fell $5.5 millions, or 8.2%. In each case the drop in gross corresponds closely to the decline in net earnings.

Another factor has been higher costs. With volume of traffic down, it would be expected expenses would decline. Actually, both railways report a small increase in expenses. This is due to progressive restoration of wage cuts, the final 2% deduction having been restored April 1 last. As a result, economies have been offset by the increase in wages.

Comparative figures of earnings for June and the first six months of the year are given below:

C.P.R. Earnings

	1938	1937
Month of June:	$	$
Gross earnings	10,144,944	11,418,963
Working expenses	9,633,536	10,223,652
Net earnings	511,408	1,195,111
Six Months Ended June 30:		
Gross earnings	61,287,528	66,790,261
Working expenses	58,606,500	58,530,107
Net earnings	2,681,028	8,260,124

C.N.R. Earnings

	1938	1937
Month of June:	$	$
Oper. revenues	13,702,244	16,091,901
Oper. expenses	14,472,826	15,656,713
Net oper. loss	770,582	*435,188
Six Months ended June 30:		
Oper. revenues	82,759,559	94,996,314
Oper. expenses	88,439,541	88,328,366
Net oper. loss	5,679,982	*6,667,948

*Operating surplus.

Can. Public Service Plan Before Meeting on Aug. 8

From Our Own Correspondent

VANCOUVER.—Directors of Canadian Public Service Corp. having received the approval of shareholders representing more than 75% of the 6½% preference shares, are proceeding with plans for reorganization. A meeting of the company will be held here Aug. 8.

Under the new plan West Canadian Hydro-Electric Corp. will become the parent company of this Okanagan group of public utilities, taking over the C. P. S. ownership of Okanagan Telephone Company and Inland Ice & Cold Storage Co.

Holders of the preference shares will receive five cumulative participating preference shares in West Canadian Hydro for each share held.

Dom. Stores Profit Down

Sales Decline — Net Loss of $9,192 Shown for 24-week Period

A net loss of $9,192 is reported by Dominion Stores for the 24-weeks period ended June 18, 1938, as against a net profit of $34,178 in the same period in 1937.

Sales showed a moderate decline over those of a similar period in the previous year, amounting to $8,784,884, as compared with $9,044,422 in 1937, a decrease of $259,539, or 2.87%.

The report indicates that in comparison with Dominion Bureau of Statistics retail and wholesale sales index, the company's business has not declined as severely as business in general. The D. B. S. index of 567 commodities issued in July shows a 7.5% decline over July, 1937, in wholesale prices, and a 7% decline in May.

Average number of stores operated in the period was 474, as compared with 479 in 1937.

Working Capital Down

Gross sales in a 53-weeks period in 1937 totalled $19,838,337, as compared with $19,434,840 for 52 weeks in 1936, an increase of 2.08%. Net profit was $46,736 for 1937, compared with a loss of $65,581 in 1936.

Net working capital of $2,183,569 at June 18 compares with $2,209,514 at Dec. 31, 1937, a decrease of $25,945, attributed by the company to the payment of increased license imposed by the city of Montreal for the year 1938.

E. G. Wills, president, in the half yearly report states: "Under J. W. Horsey's direction, a comprehensive and active programme is being undertaken by the management, looking toward the improvement of your company's position.

"Present plans include development of sound public relations and improvement in merchandising and advertising. Training plans for the advancement of employees are now in force. A better understanding, on the part of public authorities, of our problems and our importance as an effective avenue of distribution for the products of the country, is, we believe, being established."

Agnew-Surpass Declares Bonus

From Our Own Correspondent

MONTREAL.—In addition to the regular quarterly dividend of 30 cents a share on its common stock, Agnew-Surpass Shoe Stores has declared a bonus of 20 cents a share. The dividend is payable Sept. 1 to shareholders of record August 15.

Changing Conditions

Conditions in the field of investment meet with frequent changes. The resources of our organization for securing authoritative information upon investment subjects are available to any of our clients.

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CANADA BREAD COMPANY, LIMITED

(Incorporated under the Ontario Companies Act)

AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET
As at 30th June, 1938

ASSETS

Cash on hand and in banks		$ 224,379.96	
Accounts receivable	$229,396.42		
Less reserve for doubtful accounts	57,000.00		
		172,396.42	
Inventories of ingredients, finished products and supplies, as determined and certified by the management, valued at the lower of cost or market		145,461.96	
			$ 542,238.34
Mortgages receivable			19,599.80
Buildings and equipment—at cost	$4,915,504.16		
Less reserve for depreciation	2,679,130.64		
	$2,236,373.52		
Land—at cost, less amounts written off	381,985.62		
			2,618,359.14
Prepaid insurance, taxes and other charges			83,437.51
Goodwill (less amounts written off)			500,000.00
			$3,763,634.79

LIABILITIES

Accounts payable, wages and other accrued charges	$ 223,144.53		
Taxes due and accrued	80,747.28		
Bond interest accrued	16,372.50		
Dividends on preference shares—payable 2nd July, 1938	34,375.00		
		$ 354,639.31	
Deposits by salesmen	$ 74,845.44		
Less cash and government bonds held in trust	74,845.44		
First mortgage 6% sinking fund gold bonds, due 1941 issued less redeemed	654,900.00		
Less held for redemption	25,500.00		
		629,400.00	
Capital:			
Authorized and issued—			
12,500 Cumulative redeemable first preference shares of $100 each, redeemable at $110 per share, entitled to cumulative dividends at 5% per annum to 1st July, 1941, and 6% per annum thereafter	$1,250,000.00		
25,000 5% Cumulative participating redeemable Class "B" preference shares of $50 each, redeemable at $100 per share. (Note: Dividends in arrears $2 per share)	1,250,000.00		
200,000 Common shares of no par value	25,000.00		
	$2,525,000.00		
Earned surplus—as per statement attached	254,595.48		
		2,779,595.48	
		$3,763,634.79	

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the Year Ended 30th June, 1938

Profit on operations before charging bond interest, depreciation and income and corporation taxes	$ 546,489.50	
Interest earned on investments and bank deposits	3,927.20	
		$ 550,416.70
Deduct:		
Bond interest	$ 43,566.08	
Provision for depreciation on buildings and equipment	173,666.70	
Premium paid on bonds purchased for redemption	12,259.74	
		229,492.52
Consolidated profit for the year before providing for income and corporation taxes		320,924.18
Deduct:		
Provision for income and corporation taxes		59,000.00
Net consolidated profit for the year, after providing for income and corporation taxes		$ 261,924.18

CONSOLIDATED SURPLUS ACCOUNT
For the Year Ended 30th June, 1938

Balance at 30th June, 1937		$ 130,171.30
Add: Net consolidated profit for the year ended 30th June, 1938, after providing for income and corporation taxes		261,924.18
		$ 392,095.48
Deduct:		
Dividends on preference shares—		
First preference shares—5%	$ 62,500.00	
Class B preference shares—$3 per share (Regular Dividend $2.50—Arrears $0.50.)	75,000.00	
		$ 137,500.00
Balance at 30th June, 1938		$ 254,595.48

STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 25

Range 1938 High	Low	Div	Jly 23 R'te Y'ld	Stock	Sales	Last July 25	Week end. July 25 H	L	Cl'se
[illegible]									

Mining Stocks

Par. Val.	Range 1938 High	Low	Company	Sales	Close July 25 (or last)	High for week	Low for week	Close Aug. 1
[illegible]								

Oil Quotations

Par. Val.	Range 1938 High	Low	Company	Sales	Close	High	Low	Close
[illegible]								

Vancouver Stock Exchange

[illegible]								

Oil Stocks

[illegible]								

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 2, 1938

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 2	Asked	Bid July 26
†Assoc. Tel. & T.	5½	'55	75½	78½	78½
Beauharnois P.	5	'73	95	98	98
B. C. Power	4½	'60	99½	102½	99½
B. C. Tel.	4½	'61	105½	108½	105½
†Calgary Pwr.	5	'60	97	100	98
Do.	5	'64	96½	99½	96
†Can. Nor. Pwr.	5	'53	103½	106	104½
‡Dom. Gas & El.	6½	'45	85½	88½	84
‡Gatineau Pwr.	5	'56	104	107	103½
Gt. Lakes Pwr.	4½	'56	95	98	95
‡Int. Hydro-E.	6	'44	74	77	74
▴Inter. Power	6	'55	100½	103½	100½
†Macl'n-Que. Pr.	5½	'61	103½	106½	103½
Do.	5½	'64	103	106	102½
Mtl. L., H. & P.	3½	'56	102	105	102
Do.	3½	'73	97	100	97
†Mtl. Tramways	5	'41	99	102	99½
†Do.	5	'55	75	78	76
Nat. Lt. & Pwr.	6	'49	94	97	94
N. S. Lt. & Pr.	4	'57	98	101	98
†Ottawa V. Pwr.	5½	'70	105½	108½	105½
†Power Corp.	4½	'59	101	104	100
Quebec Power	4	'62	96½	99½	96½
§Saguenay P., A	4½	'66	103	106	103
Do., B	4½	'66	103½	106½	103½
Shaw. W. & Pr.	4	'61	99½	102½	100
Union Gas	4½	'50	100	103	100
Wpg. El. Ser. A	4	'65	64½	67½	65
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	67½	70½	68
Acadia Sugar	4½	'55	101	104	101
†Alta. Pa. Grain	6	'46	87	90	87
Atlantic Sugar	4	'51	99	102	99
B. A. Oil	4	'45	103½	106½	103½
†B. C. P. & Pap.	6	'50	84½	87½	83½
§Brown Co.	5½	'46	58	61	62
†Burns & Co.	5	'58	62½	65½	63
Canada Bread	6	'41	107½	110½	107½
Canada Cement	4½	'51	103	106	103
Can. Paper	4½	'52	98½	101½	98
Can. Steamship	5	'57	84	87	84
Candn. Canners	4	'51	100	103	99½
‡Can. Int. Paper	6	'49	96½	99½	97
‡Candn. Vickers	6	'47	99	102	99
C. P. R.	3½	'51	86	89	87
Do.	4	'49	90½	93½	91½
Do.	4½	'44	94	97	94½
Do.	6	'42	103	106	102½
Do., debs.	4 perp.		80½	83½	81
†Consol. Paper	5½	'61	51	54	52½
Dom. Coal	4½	'52	102	105	101½
▴Dom. Stl. & C.	6½	'55	105½	108½	105½
Dom. Tar	4½	'51	100	103	100½
†Donnacona P.	4½	'56	75½	78½	75½
Famous Players	4½	'51	98	101	98
†Federal Grain	6	'49	93½	96½	93½
†Fraser Cos.	6	'50	98	101	97
Gen. Stl. Wares	4½	'52	93½	96½	93½
‡Great Lakes P.	5	'55	90	93	90
†Gypsum, Lime	5½	'48	98	101	98
Ham. By-Pr. C.	5	'55	99½	102½	100
Inter-City Bak.	5½	'48	103	106	103
‡Inter. P. & P. Nfld.	4½	'68	100	103	100
Lake St. John P. & P.	5½	'61	91	94	90½
Maple Leaf M.	5½	'49	50	53	50½
†Massey-Harris	5	'47	99	102	99
McCormick's	4	'52	80½	83½	80
‡M. & O. Paper	6	'45	40	43	40½
Nat. Grocers	4	'47	100	103	100
†N. S. Stl. & C.	5	'59	98	101	97½
†Do., debs.	6	...	43½	46½	45½
Price Bros.	5	'57	97	100	97
‡Prov. Paper	5½	'47	101½	104½	101½
Reliance Grain	4½	'52	93½	96½	93
†Restigouche Co.	6	'48	96½	99½	95½
Rolland Paper	4½	'51	102½	105½	102½
Simpsons Ltd.	4½	'51	98	101	98
Smith, Howard	4½	'51	103	106	103
†Steel of Can.	6	'40	109	112	109
‡United Gas	5½	'48	103	106	102½
United Gr. Grs.	5	'48	93½	96½	93½
†West. Grain	6	'49	49	52	49

‡Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
▴Payable in Can. or U.K.
§Payable in U.S. only.

Winnipeg Stocks

(Transactions from July 23 to July 26)

	Sales	High for period	Low for period	Close July 26
Beaver Lumber	300	5.00	5.00	5.00
Berens River	100	.85	.85	.85
Crescent Cr'm. p	1	12.00	12.00	12.00
Gt. Falls M.	2,000	.09½	.09	.09
Gurney Gold	1,700	.13	.13	.13
Magnet Lake	1,000	.11½	.11½	.11½
Monarch Life	5	25.00	25.00	25.00
Sunbeam Kirk.	200	.43	.43	.43
Wingold	3,000	.04	.03½	.03½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Nor. Mtge., part pd.	2	...
Nor. Can. Mtge., p.	3	...
Northern Trust	6	...
Traders' Building	81	...
United Grain	7½	8
Western Brew.	1.80	2.50
West. Grain, pref.	...	12
Western Steel	10¼	11¾

*Stocks more active on other exchanges not included.

Municipal Bonds

Aug. 2, 1938

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	109.00	111.00	4.24
Hamilton	5	1950	111.50	113.00	3.65
Montreal	5	1945	103.25	104.75	4.15
Ottawa	4½	1945	108.00	109.50	3.00
†Quebec	5	1959	105.00	106.50	4.52
Saint John	5	1950	104.75	106.25	4.35
†Toronto	4½	1955	113.25	115.25	3.30
†Vancouver	5	1950	84.00	87.00	6.63
Winnipeg	5	1944	96.00	100.00	5.00

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 2, 1938

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	3.20	3.40
Do., pfd.	4.45	4.75
Acme Farmers Dairy pfd.	15.00	20.00
Algoma Steel com.	13.25	14.00
Do., pfd.	65.00	68.00
Andian Nat. Corp.	39.50	41.50
Anglo Can. Tel. "A"	8.40	9.00
Barrymore Cloth pfd.	23.50	28.00
B. C. Pulp & Paper com.	16.50	17.30
Do., 7% pfd.	53.00	...
B. C. Sugar	83.00	86.00
Burns & Co. "A"	5.00	6.50
Do., "B"	2.25	3.00
Canada & Dom. Sugar	82.50	84.00
Canada Starch 7% pfd.	105.50	107.00
Can. Wire & Cable pfd.	96.00	98.00
Can. Airways	1.25	2.15
Can. Industries "A" com.	216.00	222.00
Can. Ingersoll Rand	124.00	130.00
Can. Tube & Steel com.	2.75	5.00
Do., 1st pfd.	65.00	67.00
Chase, A. W., pfd. bonus	26.00	27.50
Claude Neon pfd.	5.50	6.50
Cons. Sales Book pfd. bonus	80.00	...
Copeland Flour Units	6.25	...
Corrugated Paper Box com.	1.75	2.75
Do., rights	10.00	11.75
Cub Aircraft com.	3.75	4.00
Dominion Woollens pfd.	1.00	1.30
Dunlop Tire pfd. par $25	19.00	20.00
Easy Washing Machine pfd.	7.50	...
Federal Grain com.	2.75	3.00
Do., pfd.	35.00	38.50
Goderich Elevator	6.25	7.00
Guelph Carpet pfd.	103.00	105.00
Do., com.	19.00	20.50
Hayes Steel Prod. com.	6.00	7.00
Do., pfd.	7.00	8.25
Highland Dairy pfd.	41.00	48.00
Home & Indust. Bldg. Prod.	3.00	3.50
Kingston Shipbuilding Units	9.00	10.50
Loblaw Inc. pfd. bonus	72.00	75.00
Morrison Brass pfd. bonus	5.00	8.00
Morrow Screw pfd. bonus	95.00	99.50
Mount Royal Hotel pfd.	3.00	4.00
Neilson, Wm. pfd.	98.50	...
New Brunswick Tel. c.	12.00	13.00
N. Method Laund. pfd. bon.	55.00	60.00
Niag. Lower Arch Bridge c.	68.50	...
Paterson, Wm., pfd.	100.50	...
Provincial Paper pfd.	100.00	102.00
Reliance Grain pfd.	58.00	60.00
Rob. Consol. Cone	8.65	9.25
Ruddy, E. L., pfd.	24.00	26.50
Seal O Sac (Can.)	3.25	4.00
Standard Fuel com.	3.00	5.00
Do., pfd.	52.00	...
Stedman Bros. 6% pfd. par $50	53.50	55.00
Supertest Pete. "B" pfd.	27.50	30.00
Toronto Carpet com.	...	32.00
Do., pfd.	54.00	60.00
United Farmers Co-op.	3.00	4.00
United Steel "A" pfd.	18.00	19.00
Viceroy Mfg. pfd. & rts.	21.00	23.00
West. Grain pfd. bonus	10.25	11.50
Western Steel Prod. com.	11.00	11.75
Weston (Geo.) Foods (Eng.)	3.50	4.00
Willards Chocolates pfd.	23.00	...
Wings Limited	.50	.55
Trusts and Loan Stocks:		
British Mortgage	140.00	...
Commercial Finance com.	2.85	3.10
Guelph & Ont. Inv., par $50	50.00	...
London & Western Trust	30.00	38.00
Monarch Mort. Inv. Units	.75	1.15
Premier Trust	...	110.00
Sherbrooke Trust	120.00	...
Sterling Trust	43.00	48.00
Traders Fin. "A" com.	14.75	15.75
Do., "A" 6% pfd. bonus	92.00	95.00
Do., "B" 7% pfd. bonus	93.00	98.00
Trusts & Guarantee	24.50	26.50
Insurance Stocks:		
Canada Life Assce.	525.00	540.00
Canadian Ins. Shares	19.00	21.00
Confed. Life 25% pd.	135.00	...
Crown Life fully pd.	215.00	...
Dominion Fire	136.50	...
Dom. of Can. Gen.	110.50	115.00
Empire Life 25% pd.	10.00	11.25
Federal Fire 25% pd.	50.50	...
Great West Life	305.00	...
Imperial Life	325.00	350.00
Manufacturers Life	250.00	260.00
Monarch Life 10% pd.	23.00	25.00
Sovereign Life 25% pd.	12.00	13.50
Sun Life	510.00	525.00
Toronto General	5.00	6.00
Western Assce. pfd.	40.00	42.50
Do., com.	46.00	50.00
Theatre Stocks:		
Allens Kingston pfd.	62.00	66.00
Do., London pfd.	53.00	...
Do., St. Catharines pfd.	60.00	66.00
Do., Tor. pfd. bonus com.	32.00	...
Loew's London pfd.	3.00	4.00
Marcus Loew's pfd.	114.00	118.00
Mansfield Theatre pfd.	21.50	...
Paramount Kitchener pfd.	48.00	52.00
Do., Oshawa pfd.	86.00	90.00
United Amusement "A"	15.00	16.50
Investment Trust Shares:		
Can. Gen. Invest.	8.75	...
Can. Investment Fund	3.90	4.25
Can. Investors' Corp.	6.90	7.50
Inv. Foundation pfd. bonus	55.00	58.00
Sec's. Hold. Corp. pfd. bon.	16.50	17.50
United Corp. "A"	20.25	22.00
Do., "B"	13.00	14.00
Power Issues:		
Calgary Power pfd.	86.75	88.50
Can. West. Nat. Gas com.	24.00	27.00
Do., pref.	92.00	94.00
Great Lakes Power pfd.	100.00	104.00
Inter. Util. 1.75 pfd.	7.50	9.00
Do., 7.00 pfd.	85.00	...
Montreal Island Power pfd.	19.00	21.00
Northern Ont. Pwr. pfd.	7.00	101.00

Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines
Aug. 2	26,700	135,100	962,000
Aug. 1	19,600	47,200	Holiday
July 30	15,200	51,100	444,000
July 29	45,600	87,900	1,423,000
July 28	32,900	66,700	1,220,000
July 27	55,200	79,300	1,049,000

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.55	3.80
Can. Inv. Fund	3.90	4.25
All Can. Trustee	12.00	12.75
Trans-Canada	12.85	....
Grouped Income	4.90	5.45
Can. Int. Tr., modified	5.00	5.75
Do., unmodified	4.75	5.25

Unlisted Mines

TORONTO
August 2, 1938

	Bid	Ask		Bid	Ask		Bid	Ask
Addington	.15	.18	Hallnor	8.25	9.00	Pascalis	.37½	.40
Albany R.	.22	.24	Halliwell	.03½	.04	Porcu. Lake	.11	.13
Algoma S.	.19	.21	Hayes Cd.	..	.11	Porc. McN.	.03½	.04
Amorada	.04	.05	Hislop	.02	.03	Plains P.	1.30	1.50
Arjon	.03½	.04½	Hiawa'a	1.53	1.58	Planet	..	.09
Armistice	.03	.04	Hutch. Lake	.04½	.05	Pontiac R.	.14½	.15½
Argosy	.05½	.06½	Hugh PP.	.16	.18	Polaris	.25	.27
Arno	.02½	.03	Janus	.16	.17	Pelangio	.06½	.06½
Athona	.07	.08	Keora	.03½	.04	Propri'y	2.20	2.25
Area	.18½	.19½	Keystone	.01½	.02	Queb. Mn.	.19	.21
Bailor	.01½	.01½	Kaw Crow	.03	.03½	Rand. M.	.39	.41
Barb. Lar.	.27	.29	Kenricia	.23	.25	Raymond	.31	.33
Bear	.41	.42	Kerry Gd.	.24	.26	Rajah	.03½	.04
Bidlamaqu	.04	.05	Kewaga'a	.16	.17	Ribago (new)	.08½	.08½
Big Master	.05½	.06	Kir. Vit.	.03½	.03½	Rich Rock	.07	.10
Bilmac	.10½	.12	King Fish	.01	.01½	Ronda	.16	..
Baldwin	.01½	.02½	Kirk. Gate	.11	.12	Rouyn Re.	.03	.03½
Buf. Bear	.21	.22	Kirk. Hunt.	.02	.02½	Rubec	.01½	.01½
Cuniptau	.06½	.07	Lacoma	.05	.06	Sachigo	16.50	17.00
Calder Bo.	.05	.05½	Lafayette	.01½	.02	Sand Rv.	.20	.22
Camlaren	..	.30	Lake Df.	1.32	1.35	Shenango	.06	.06½
Cana. Pan.	.04½	.05½	L. Geneva	.21	.24	Sheldon	.14½	.15
Cana. Kirk.	.01½	.01½	Lake Rose	.07½	.08	Silver Val.	.02½	.03½
Capital Ro.	.02½	.03½	Lamaqu	6.45	6.60	Siscoe E.	.17	.19
Central M.	.04½	.05	Lardego	.02½	.02½	Smelter	.04	.04½
Chan Yell	.41	.44	Lucky Kir.	.04½	.05	South Ver.	.09	.10
Cheminis	.06	.07	Magnet L.	.12	.14	So. Keora	..	.06
Coin Lake	.05	.03½	Magnet C.	.60	.63	Spooner	.05½	.06½
Crowshor	.11	.12	Malartic	.57	.59	Sturg. Rv.	.21	.23
Cont. Kir.	.13	.14½	Martin Br.	.17	.19	Sunbeam	.33	.35
Dawson W.	.05½	.06½	Mata. Cana.	.06	.07	Sun Bear	.05½	.05½
Delandore	.08	..	Moffatt Hall (new)	.04	.04½	Surf. Inlet	.13	.15
Delwood	.04½	.05	McFar. LL.	.03½	.04	Springer	.09½	.10½
Desantis (new)	.32	.33	McCarthy	.06½	.08	Tonawanda	.05½	.06½
Doreva	.09½	.10½	McVit. Kir.	.03	.03½	Upper Can.	.65	.67
Devon	.20	.22	Monarch	.02½	.03	Virita	..	.11
Don Mart.	.05½	.06½	Mosher	.20½	.21	Wascanna	..	.10
Dunlop (new)	.03	.03½	Mooshla	.06½	.07½	Williamson	.02½	.03½
Elmos	.34	.35	Norlake	.04½	.05	Wilport	.05	.08
E. Lacoma	.02	.03	Negus	.80	.90	Wesley	.03½	.04½
Frontier	.08	..	North Sho.	.02	.02½	Wells LL.	.11	.13
Faulke'm	.23	.25	Oklend	.22½	.23½	Westside	.02½	.03
Gate Pat.	.03	.04	O'Leary	.04½	.05	Westwood	.09½	.10½
Gilbec	.01½	.02	Opemiska	.09½	.11	Wh. Horse	.05½	.06
Goldside	.01	.01½	Oriole	.04½	.04½	Winoga	.05½	.06½
Golden G.	.54	.56	Ossian	.06½	.06½	Woco	.25	.27
Golden Tr.	.10	.11	Parkhill	..	.02	Ypres Cad.	.03½	.04
Gordon Lb.	.02½	.03½				Yg. Davison	.20	.21½
Gorham G.	.04½	.05½						

MONTREAL
August 2, 1938

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Abbeyville	.13	.14	Dorval Units	..	8.50	Pan, Canadian	.20	.21
Amity	.01½	.02½	Lake Rowan	.07½	.08½	Porc. Lake	.10½	.14
Barber Larder	.28	.29	L. L. Lagoon	.03½	.05	Routhier Cad.	.06	.07
Brown Cadillac	.01½	.02½	Leroy	.01½	.02	Valdor Min.	1.27	1.32
Chibmac	.04	.04½	Margaret	.11	.14	Warrenmac	.07	.10
Cournor	..	.20	Obalski	.05	.06½	Westwood Cad.	.10	.10½
Dempsey Cad.	..	.03						

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

Aug. 3, 1938	Bid	Asked	Approx. Yld.
1 Jan. '39	100.75	101.25	...
1 June '39	100.00	100.45	.50
15 Nov. '39	101.25	101.75	.67
15 Oct. '39	101.75	102.25	.70
15 Oct. '39	103.65	104.05	.95
1 June '40	100.50	101.25	.82
1 Sept. '40	105.87	106.37	1.39
15 Mar. '41	99.00	99.75	1.10
15 Nov. '41	109.50	110.00	1.96
1 June '42	101.00	101.75	1.54
15 Oct. '42	104.25	105.00	1.77
1 June '43	102.25	103.00	1.86
15 Oct. '43	112.75	113.25	2.28
1 June '44	99.25	99.75	2.01
15 Jan. '44	101.62	102.37	▲1.70
15 Oct. '44	111.50	112.00	2.46
15 Nov. '44	101.75	102.25	2.11
15 Aug. '45	102.62	103.37	▲1.80
15 Oct. '45	108.00	108.50	▲2.26
1 Feb. '46	111.75	112.25	2.72
1 June '49	102.50	103.00	▲2.82
15 Oct. '49	104.00	104.50	▲2.71
15 Nov. '51	102.00	102.50	▲2.98
1 May '52	111.87	112.62	▲1.52
15 Oct. '52	107.87	108.37	▲2.99
1 June '55	98.75	99.25	3.06
1 Nov. '56	111.00	111.75	▲2.95
1 Nov. '57	111.25	112.00	▲3.09
1 June '58	98.12	98.62	3.09
1 Nov. '58	112.00	112.50	▲3.09
1 Nov. '59	112.50	113.00	▲3.14
1 Oct. '60	109.75	110.50	▲2.98
15 Jan. '61	103.62	104.32	▲2.93
1 June '66	100.50	101.00	▲3.19
15 Jan. '67	98.37	99.12	3.04
Perp. bonds	89.25	89.75	3.34
Dominion Guaranteed Bonds			
Canadian National Railway:			
15 Jan. '42	100.25	101.25	1.63
15 Feb. '43	99.50	100.50	1.88
1 May '44	103.25	104.25	2.14
15 Dec. '50	98.50	99.50	3.05
15 Feb. '53	98.00	99.00	3.09
1 Sept. '51	115.00	116.00	3.00
1 Feb. '56	115.75	116.75	3.24
1 July '57	115.00	116.00	3.35
15 June '55	117.75	118.75	3.30
1 Feb. '54	118.50	119.50	3.37
1 July '69	116.75	117.75	▲2.54
1 Oct. '69	119.75	120.75	▲3.19
1 Feb. '70	119.75	120.75	▲3.19
Provincial Government Bonds			
New Brunswick:			
15 Oct. '51	92.00	93.00	3.66
15 June '56	94.00	95.00	3.88
15 Nov. '47	101.50	102.50	▲3.61
15 Apr. '61	104.00	105.00	4.16
15 Jan. '60	109.00	110.00	4.28
Nova Scotia:			
2 Jan. '52	96.00	97.00	3.27
1 June '56	98.00	99.00	3.32
15 Dec. '49	101.50	102.50	3.24
15 Sept. '52	110.00	111.00	▲3.11
15 Nov. '60	111.50	112.50	3.68
1 Mar. '60	117.00	118.00	3.78
Ontario:			
15 May '45	100.50	101.50	2.26
1 Dec. '51	98.25	99.25	3.07
15 Nov. '51	100.75	101.75	▲3.07
1 June '62	108.00	109.50	3.42
1 June '50	112.25	113.25	3.17
15 Jan. '62	114.50	116.50	3.47
15 Oct. '48	115.50	116.50	3.14
2 Dec. '60	122.00	123.50	3.48
1 July '46	116.50	117.50	3.01
Ont. Hydro Comm.:			
1 Feb. '53	99.75	100.75	▲3.17
1 Apr. '47	102.50	103.50	3.03
1 Jan. '70	118.50	120.00	3.67
Prince Edward Island:			
1 Oct. '45	99.50	100.50	2.92
Quebec:			
1 Nov. '51	97.50	98.50	3.14
1 Mar. '48	100.50	101.50	3.06
1 June '52	99.50	100.50	3.20
15 Mar. '52	105.50	106.50	3.41
1 Aug. '58	109.50	110.50	3.51
2 Jan. '63	112.50	113.50	3.66
Alberta:			
15 Dec. '54	53.75	57.75	§
1 Oct. '51	59.50	63.50	§
1 Oct. '56	56.00	60.00	§
1 Oct. '59	57.25	61.25	§
1 Apr. '52	60.00	64.00	§
1 Mar. '47	61.00	65.00	§
British Columbia:			
1 Dec. '57	88.25	91.25	4.69
15 Jan. '51	96.50	99.50	4.55
1 Oct. '53	95.50	98.50	4.63
25 Apr. '54	98.75	101.75	4.84
1 Feb. '45	101.50	104.50	4.69
15 Feb. '47	103.00	106.00	5.12
Manitoba:			
1 Dec. '57	82.50	86.50	5.10
15 Dec. '56	87.50	91.50	5.22
2 Dec. '59	93.50	97.50	5.19
1 Oct. '55	97.00	101.00	5.41
1 Apr. '47	99.00	103.00	5.56
Saskatchewan:			
1 Nov. '60	70.00	74.00	6.15
1 Oct. '51	79.50	83.50	6.33
15 Mar. '60	74.00	78.00	6.37
1 Aug. '58	80.00	84.00	6.42
1 Oct. '52	86.00	89.50	6.63
15 Mar. '52	88.00	92.00	6.90

Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. Payable Can. & N.Y. ■Payable N.Y. Callable on or after Sept. 15, 1936. Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
...luminium, pfd.	$1.50	Sept. 1	Aug. 15
...ssoc. Tele., 1st pf.	49c	Aug. 15	July 30
Do., $6 pref.	42c	Aug. 15	July 30
...gnew-Surpass	30c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
...k. Can. Nationale	$2	Sept. 1	Aug. 15
...orden Co., c.	30c	Sept. 1	Aug. 15
...ank of Montreal	$2	Sept. 1	July 30
...k. of Toronto	$2.50	Sept. 1	Aug. 15
...uff. Ankerite	25c	Aug. 15	Aug. 1
...eattie Gold	5c	Aug. 20	July 29
...oniagas Mines	12½c	Aug. 8	July 30
...rown Cork	25c	Aug. 15	July 30
...ons. Sand, pref.	$3.50	Aug. 15	July 30
...osmos Imp.	25c	Aug. 15	July 30
Do., pref.	$1.25	Oct. 15	Sept. 30
...an. Fairbanks, c.	$1	Aug. 15	July 30
...anadian Oil, c.	12½c	Aug. 15	Aug. 1
...onduits Nat.	10c	Aug. 8	Aug. 3
...an. Wire & C. pf.	$1.62½	Sept. 15	Aug. 31
...ominion Bridge	30c	Aug. 15	July 30
...om. Ang. Inv., p.	$1.25	Sept. 1	Aug. 15
...irestone Pete.	2c	Sept. 3	Aug. 20
...oundation Pete.	2.5c	Sept. 3	Aug. 20
...ord Motor	25c	Sept. 17	Aug. 27
...urd, Chas., pref.	$1.75	Aug. 15	Aug. 1
...ollinger Cons.	5c	Aug. 12	July 29
Do., extra	5c	Aug. 12	July 29
...nter. Nickel, c.	50c	Sept. 30	Aug. 31
...err Lake M.	5c	Aug. 15	Aug. 1
...oblaw "A," "B"	25c	Sept. 1	Aug. 10
...ake of W. M. p.	$1.75	Sept. 1	Aug. 15
...ouisiana Land, c.	10c	Sept. 15	Sept. 1
...cIntyre Porc.	50c	Sept. 1	Aug. 1
...onarch Rylts.	1c	Sept. 3	Aug. 20
...S. L. & Pr. pf.	$1.50	Sept. 1	Aug. 13
...eon Products	25c	Aug. 15	July 30
...at. Biscuit	40c	Oct. 15	Sept. 16
Do., pref.	$1.75	Aug. 31	Aug. 12
...ipissing Mines	15c	Aug. 22	Aug. 1
...nt. Steel	50c	Aug. 15	July 30
Do., pref.	$1.75	Aug. 15	July 30
...enmans	75c	Aug. 15	Aug. 5
...rairie Rylts.	5.5c	Sept. 3	Aug. 20
...rov. Transport	10c	Aug. 15	Aug. 1
...uebec Power	25c	Aug. 15	July 25
...olland Paper	25c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 1	Aug. 15
...oyal Bank	$2	Sept. 1	July 30
...egent Knit., pf.	40c	Sept. 1	Aug. 15
...uart D. Oil p.	20c	Sept. 1	Aug. 15
...hawinigan W.	20c	Aug. 15	July 28
...outh. Can. Pr., c.	20c	Aug. 15	July 30
...oburn Gold	2c	Aug. 22	July 22
Do., extra	2c	Aug. 22	July 22
...nion Gas	20c	Sept. 15	Aug. 20
...nited Fuel, p.	‡$1	Sept. 1	Aug. 15
...nited Corp., A	38c	Aug. 15	July 30
...alker-G. & W.	$1	Sept. 15	Aug. 26
Do., pref.	25c	Sept. 15	Aug. 26
...ork Knitting pf.	$3.50	Aug. 15	Aug. 11
Do., 2nd pref.	$3.50	Aug. 15	Aug. 11

†Initial. ‡On arrears. *Rate, distribution from production returns.

S.E.C. to Hear Application For Dom. Stores Delisting

A public hearing will be held by the Securities and Exchange Commission on Sept. 13 in Washington, to consider application of Dominion Stores to withdraw its stock from the New York Stock Exchange.

At the company's annual meeting on March 14, shareholders approved delisting of the stock, and it was stated at that time that application would be made to have the stock listed on the Montreal Stock Exchange instead of the Curb after the New York delisting.

Mining Dividends

	Rate	Close Aug. 1	Yield %
Anglo-Huronian	10c	3.20	3.1
Beattie Gold	10c	1.24	8.1
Bralorne	60+30c	9.60	*9.4
Buffalo Ankerite	$1	16.50	6.1
Bulolo Gold	$3	28.50	10.5
Can. Malartic	6c	.94	6.4
Cariboo	10c+4½c	2.45	*5.9
Central Patricia	12c	2.70	4.4
Coniagas	25c	1.68	..
Coniaurum	‡5c	1.34	..
Cons. Smelters	50c+50c	60.00	...
Dome Mines	$2	32.50	6.2
Falconbridge	30c	6.35	4.7
Gunnar Gold	†3c	.72	4.2
Hedley Mascot	12c+3c	1.10	*13.6
Hollinger	65c+45c	15.00	*7.3
Howey Gold	4c	.27	...
Hudson Bay	$1.75	30.00	...
Inter. Mining	25c	10.50	..
Int. Nickel, com.	$2+25c	50.00	*4.5
Island Mountain	5c	1.25	4
Jack Waite	†1½c	.54	...
Kerr Lake	5c	.50	10
Kirkland Lake	8c	1.37	5.8
Kootenay Belle	9c+1c	1.38	*7.2
Lake Shore	$4+$1	52.00	*9.6
Lava Cap M.	5c	.95	...
Little Long Lac	10c	3.65	...
Macassa	20c	5.00	4
McGillivray Creek	3c	.21	...
McKenzie Red Lake	12c	1.20	10
McKinley Sec.	5c	.60	8.3
Noranda	‡$2	72.50	...
Nipissing	15c	1.75	...
North. Empire	50c	8.50	5.9
Oro Plata	†4c	.70	...
Pioneer, B.C.	40c	3.00	13.3
Pickle Crow	40c	4.75	8.4
Placer Develop.	$1.20	16.00	7.5
Premier	12c	2.26	5.3
Reno	12c	.47	...
San Antonio	14c	1.25	11.2
Sheep Creek	12c+2c	.98	*14.3
Silbak Prem.	†4c	1.99	...
Siscoe	20c+1c	2.20	*9.5
Sudbury Basin	10c	2.95	...
Sullivan Cons.	5c	1.05	4.8
Sylvanite	20c+5c	3.25	*7.7
Teck-Hughes	40c+10c	4.55	*10.9
Toburn	8c+4c	2.05	*5.8
Ventures	37½c	6.50	5.7
Wright-Harg.	40c+30c	8.00	*8.7

†Initial. *Yield includes bonus. ‡Interim.

DIVIDEND NOTICES

Banque Canadienne Nationale

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the BANQUE CANADIENNE NATIONALE on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August, 1938. This dividend, bearing the number 190, will be payable at the Main office or at the branches of the Bank, on or after the first day of September, 1938, to the shareholders of record on August 15th, 1938.

By order of the Board,
CHARLES ST-PIERRE,
General Manager.

Borden's

COMMON DIVIDEND
No. 114

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable September 1, 1938, to stockholders of record at the close of business August 15, 1938. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

LAKE OF THE WOODS MILLING CO. LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company payable on September 1st, 1938, to shareholders of record at the close of business on August 15th, 1938.

By Order of the Board,
D. A. MacINNES,
Secretary.

York Knitting Mills, Ltd.

Notice is hereby given that a dividend of 3½% was declared on the first preference stock for the six months ending June 30, 1938, figured at the rate of 7% per annum, payable August 15th, 1938, to all shareholders on record as at the close of business on August 11th.

Notice is hereby given that a dividend of 3½% was declared on the second preference stock for the six months ending June 30, 1938, figured at the rate of 7% per annum, payable August 15th, 1938, to all shareholders on record as at the close of business on August 11th.

W. A. CLARKE,
Secretary.

Dividend Notice Commoil Limited

NOTICE is hereby given that an Interim Dividend of 3½c per share has been declared on the outstanding no par value shares of the Company, payable August 25th, 1938, to Shareholders of Record August 11th, 1938.

The Transfer Books of the Company will not be closed.

BY ORDER OF THE BOARD,

Calgary, Alberta, July 29, 1938.

G. J. McKAY,
Secretary.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending August 31st, 1938, payable on the 1st day of September, 1938, to shareholders of record at the close of business on the 10th day of August, 1938. Payment will be made in Canadian Funds.

JUSTIN M. CORK,
Secretary.

Toronto, July 27, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Wheat Carryover At Record Low

Canada ended its crop year on July 31 with slightly under 20 million bushels of wheat in commercial storage. This was the smallest carryover since this country started wheat growing on a major scale. It is particularly small when it is realized that the bulk of the present supply is made up of durum type wheat which does not enter into bread production, but is largely used for macaroni. Record carryover was in 1935 when almost 200 million bushels of unsold wheat choked country and terminal elevators at the end of the crop year. Recent crop year-end figures are as follows:

Wheat Carry-over July 31

	Bushels
1938	X19,000,000
1937	33,285,000
1936	120,115,000
1935	197,296,000
1934	187,440,000

X—Estimated.

Flood Conditions Blamed For Loss at Jack Waite

Flood conditions which necessitated closing the Jack Waite Mining Co. plant at Coeur d'Alene, Idaho, for several weeks during April and May are blamed for the almost $31,000 net loss registered for the operations of the first six months of the present year.

Operating profit of $6,112 was made in June. Total net income for the six months was $147,687 with a total operating cost of $143,671. When overhead, interest, depreciation and amortization is added in, there is the net loss of $30,948.

During the period, some 1,000 ft. of development work was done, opening up extensive new ore reserves.

Hedley Mascot Clears $197,200 in Half Year

From Our Own Correspondent

VANCOUVER. — Production at Hedley Mascot Mines was $387,053 from 32,657 tons of ore treated in the first six months of this year, an average of $11.85 per ton.

Net profit after income tax was $197,200. Cash position as at June 30 stood at $510,177 comprising cash, bonds, smelter returns and concentrates. Dividends of 3 cents and extras of one cent were paid each quarter. A similar dividend has been declared payable July 2.

Oil Potential Unaffected By New Proration Plans

From Our Own Correspondent

CALGARY.—Present potential of approximately 51,000 barrels per day will not be changed more than 5% either way by the new system of proration, it is being estimated by oil men here.

W. F. Knode, chairman of the Alberta conservation board, says he expects that production tests on all wells will be completed in the course of a few days.

Cub Aircraft Plans Further Financing

Further financing of Cub Aircraft Corp. is in prospect to provide funds for expansion of production facilities. The company has a plant at Hamilton and makes a small two-seater plane selling in the lowest price field.

Last October an offering of stock was made by the former Toronto investment house of Williams, McLean & Bell. Giving effect to the financing of last October, the company had $187,500 of $25 par value preference and 65,000 common shares outstanding. Authorized amount of preference was the same as the outstanding amount and there were 20,000 unissued common shares.

Provincial Transport Business Improves

From Our Own Correspondent

MONTREAL. — Provincial Transport Co., which is controlled by Montreal Tramways Co., reports passenger revenues for the six months ended June 30 at $501,938, compared with $445,206 in the same period last year. In the month of June revenues were $150,073, as against $131,577 in the same month of 1937.

Operating expenses have also been higher due to increased mileage and higher wage rates put into effect last year.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 43

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on September 17, 1938, to shareholders of record at the close of business August 27, 1938.

D. B. GREIG,
Secretary.

Windsor, Ont., July 29, 1938

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 36

NOTICE IS HEREBY GIVEN that a dividend of 10 cents per share has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the quarter ending August 15th, 1938, payable September 15th, 1938, to shareholders of record at the close of business on August 15th, 1938.

By Order of the Board,
FRED HUNT,
Secretary.

August 1st, 1938.

Allied Bakeries Still Expanding

British Interest of W. Garfield Weston Reports Progress

W. Garfield Weston, chairman of Allied Bakeries, Ltd., told shareholders at the annual meeting in London on July 20, 1938, that certain profit adjustments where companies had been brought into the group during the year were still causing inconvenience.

Maintenance of the current rate of earnings, according to Mr. Weston, will mean net trading profits of around £293,000 this year. Although present issued capital has not been outstanding during the whole year, a dividend of 6% on total ordinary share capital was paid, making 10% for the year. Position of the company had improved. Cash and government bonds amounted to over £317,000.

During the year nine established businesses had been brought into the group, Mr. Weston stated. Management of each company acquired had been willing to continue with the organization and had accepted stock as the major part of the purchase price.

Allied Bakeries is one of the interests of W. Garfield Weston, who is also president of George Weston Ltd. in this country. Some time ago the Canadian company disposed of its interests in the British operations which are now under control of George Weston Foods. Canadian shareholders of George Weston Ltd. obtained a certain interest in the British operations through the offer of shares in George Weston Foods made to them.

Inter City Western Co. Favors Geo. Weston Offer

Bakeries situated in Manitoba, Saskatchewan and Alberta of Inter City Western Bakeries all showed reduced earnings during the past year, Hugh Mackay, president told shareholders in presenting the annual report.

The directors of the company consider the compromise or arrangement for the disposal of the company's properties to George Weston Ltd. as being in the best interests of the shareholders and bondholders, Mr. Mackay stated.

Income and Surplus Account Years Ended

	Jan. 29, 1938 $	Jan. 30, 1937 $
Operating profit	95,492	117,194
Less: Expenses	8,492	8,915
Res. for bad debts	9,707	12,021
Exps. of bondholders committee	......	4,000
Spec. expense	2,153	......
Exec. salaries	5,900	5,400
Sask. & Weyburn charges	3,587	3,542
Prov. for taxes	......	454
Net earnings	65,653	82,862
Less: Bond interest	94,653	94,199
Exps. re int.	900	......
Depreciation	50,000	50,000
Loss for year	79,900	61,337
Add: Prev. deficit	653,000	589,270
Inc. tax, pr. yrs.	1,341	2,393
Sales tax, pr. yrs.	308	......
	734,549	653,000
Times Bond Int.† Earned:		
Before deprec.	0.69	0.88
After deprec.	0.16	0.35

†Including expenses re interest payment in 1938.

Earns. per Share:		
Preferred: Earned	d$2.05	d$1.57
None paid.		
Common: Earned	d0.79	d0.65
None paid.		

Working Capital

	1938 $	1937 $
Current assets	219,082	232,032
Current liabilities	49,079	36,384
Working capital	170,003	195,648

Crop to Benefit Canadian Pacific

(Continued from page 1)

be expected to move before the end of December. Of this amount, the C.P.R. should get at least 107 million bushels. Taking into account other grains and shipments during the first seven months total grain handlings should at least equal the 1936 figure of 143 million bushels. Since it is estimated the railways receive an average of 12 cents a bushel this would mean an additional $6 millions in revenue.

Just as important as the additional grain movement would be the increase in other traffic. It is generally expected a good crop will give a definite impetus in business. Certainly, there should be larger purchases by western Canada. This, in fact, is already evident. An important factor in regard to the westward movement of goods is that it is more profitable to the railways than the movement of grain.

Higher Profits Not Assured

While prospects are for increased traffic this fall the C.P.R. is not assured of as large profits as last year when 30 cents a share was earned on the common stock. In the first place, costs are higher this year due to restoration of pay cuts. Then, again, "other income" is an important factor in C.P.R. profits.

In 1937, "other income" of the C.P.R. amounted to $16.7 millions. Present indications are this will be reduced somewhat in the current year. Dividends received from the Consolidated Mining and Smelting Co. last year amounted to $5.8 millions. In view of the decline in base metal prices it is not likely they will be as large this year. Hotel and steamship earnings can also be expected to be lower due to falling off in tourist trade.

C.N.R. Prospects

Prospects of the C.N.R. for the latter part of the year are not as favorable as in the case of the C.P.R. Earnings of the Government-owned railway declined more than $12 millions in the first six months. It is doubtful if this can be made up even in view of the better crop.

As already pointed out, the C.N.R. does not stand to gain as much from a good grain crop as its rival. Another unfavorable factor is its large mileage in the United States. This has been one reason for the more severe drop in earnings. Contributing to this has been the smaller volume of new car sales. Normally, the C.N.R. moves a considerable volume of automobiles from the Detroit area to eastern United States.

Week in Wheat

Market Shows Effect Of Price Uncertainty

Waiting for Government to Announce Guarantee Level, Traders Indifferent to Reports of Crop Damage on Prairies

From Our Own Correspondent

WINNIPEG—Under normal conditions the market might have been expected to react to crop damage reports from the Prairies but not while an unset Government price was hanging over its head. Trading interest in the new crop up to the middle of this week has been at an extremely low ebb. With the crop likely to be smaller than expected, pressure for a renewed Government-guarantee price of 87½ cents a bushel may put most of the crop in Government hands.

Just how the market will behave when the Government is buying wheat at one price and probably selling it at considerably less, is uncertain.

While there has been some recession in price for new crop futures, the most marked decline has been in the values of old crop wheat. Holders of the limited quantity of old crop wheat still available had to mark their prices down by a full five cents a bushel at the opening of the August market.

The price of 87½ cents a bushel was recorded at the first session this month. This price if registered during July, would have brought the Wheat Board automatically into action to buy any wheat producers cared to offer to it at that level. The figure had been guaranteed to farmers for last year's crop, although the market at no time during the crop year sank that low.

Conditions Abroad

Russian wheat offerings have had some bearish effect at Liverpool during the past two weeks. Liverpool opinion still insists that the total quantity of wheat Russia can spare during the crop year will not be large. Drought damage to spring wheat is expected to offset the good yields secured from winter wheat, which has now been harvested.

France is reported to have a crop of some 330 million bushels, a surplus over domestic requirements. It is not believed that France will attempt to force this into export by subsidies, but that the surplus will rather be held in the country by the Government as a basis for security stocks.

German need for food imports has been stressed in some recent dispatches, and suggestions are made that the United States could sell some considerable quantities of grain if arrangements for granting credits could be made.

General expectation in the trade is that the demand from overseas for Canadian wheat will be greatly increased as soon as sufficient stocks of new wheat are available in shipping quantities. The hope is that British millers will adjust their milling mixes at an early date to provide for the incorporation of a much greater quantity of Canadian wheat than has been used during the past year.

* * *

No July Squeeze

In spite of the shortage of old crop wheat of contract grades, the steady recession of July wheat prices continued up to the end of the month when trading in that delivery ceased. The open interest in the future had evidently been small for a considerable time. Under some circumstances a technical squeeze might have developed in the future because quantities of tenderable grain were so limited. Nothing of the kind, however, developed, and the future was liquidated without difficulty, the open interest apparently declining steadily, and almost regularly until the last trading day of the month.

* * *

Price Uncertainties

Uncertainties about the effects of government action in the wheat market, both in Canada and in the United States, have had a slowing-up tendency so far as both export business and speculative trading are concerned. What the United States Government is prepared to do in the way of lending money on stored wheat and giving an option of sale at the loan price is quite definitely known. Equally it is known that the Government is prepared to acquire some 200 million bushels of wheat to be stored for the most part as one feature of the administration's plan for an "ever-normal granary."

But there is uncertainty as to the number of farmers who can take advantage of the Government's offer. Some of them may be disqualified from receiving loans through having grown a wheat acreage greater than an allotment presumed to have been made for this past year. Others may be afraid to accept loans for fear of being asked to commit themselves to acreage reductions next year, although there is no legal authority for administrative officers making such a demand. Others may be unable to get loans because their wheat is not of the higher grades which alone afford eligible security, while others may neither have available farm storage nor convenient access to public storage. It is probable that the U.S. loan values provide a series of low points through which market values of different wheats can hardly fall, but it is not yet certain just what those points are for different varieties and for different central markets in the United States.

* * *

Government Action

Government action in Canada is based on a different theory and a different objective than that in the United States. Ottawa, although planning to buy wheat, does not want to pile up a surplus to be carried forward to another year. What it buys, presumably it will sell again, and at prices that will move it into consumption during the crop year. In theory the Government figure for a minimum price should not affect the Canadian market at all, but if prices continue lower, overseas buyers will be reluctant to make commitments, feeling that one source of supply will always be available. If, however, the market is able to move ahead of the Government minimum, either at first or later in the season, the market should function largely independently of the existence of the Canadian Wheat Board.

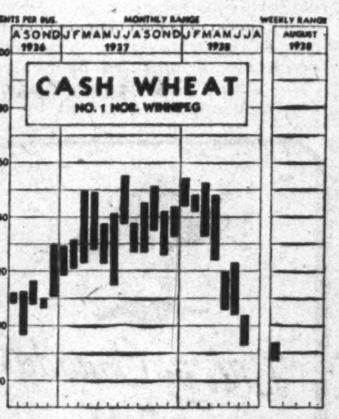
The Government price is a minimum which is assured to farmers at any time during the crop year. If the open market is close to the minimum, either above or below, farmers will be encouraged to hold their wheat for a possible rise later in the year, that is to the extent that their obligations will permit. They cannot get less than the Government price, and may conceivably get more. That consideration may act as a brake on market declines when market price level is close to the Government buying price.

In the long run, however, Government action in the United States may have more to do with the market level in Canada than has action to be taken by Canada's Government. Wheat south of the border may be definitely kept out of export channels by the government of that country, which would create a greater opportunity for marketing Canadian wheat, provided, of course, that this country does not in turn limit its exports by marking up its prices.

Macassa Production Gains During July

Gains over June are reported by Macassa Mines for its production during July. Bullion produced amounted to $131,888 compared with $130,832 the previous month. Tons milled amounted to 8,110 compared with 8,383 and average recovery was $16.26 compared with $16.73.

Wheat Prices



(Cash Quotations)

	For Week Aug. 2 High	Low	Prev. Week High	Low
1 Northern	.93½	.87½	1.01¾	.95
2 Northern	.90½	.84½	.98¾	.92
3 Northern	.85½	.81½	.93¾	.87
4 Northern	.75½	.71½	.83⅜	.77
5 Wheat	.65¼	.63½	.66⅝	.63⅝
6 Wheat	.59¼	.57½	.60⅝	.55⅝
Feed Wheat	.57¼	.56⅛	.58⅝	.55⅝

Competitive Export Prices:
Aug.-Sept. shipments!

	Week to Aug. 2 High	Low
No. 1 North. (Van.)	1.12	.98½
No. 3 North. (Atlan.)	1.06⅝	.94⅞
Australian (afloat)	.94⅞	.92⅝
Indian (choice Karachi)	.93½	.91⅞
U. S. Hard Winters	.88¾	.88
U. S. White Pac.‡	.83½	.82⅞
Argentine Barusso	.92¾	.90½
Russian†	.80½	.79⅝

†New crop.
‡Loading.

Winnipeg Grain Futures

Week to Aug. 2, 1938

Crop year from Aug. 1, 1937 High	Low		Open July 27	High for week	Low for week	Close Aug. 2	Close year ago
		Wheat					
1.22½	.88⅛	July	.92	.95¼	.88¾	.....	.....
1.03	.73¾	Oct.	.74⅝	.77¾	.74⅞	.75½	1.27⅛
.86⅝	.73¼	Dec.	.73½	.76	.73½	.74½	1.23⅝
.87⅞	.75	Nov.	.75⅛	.76⅞	.75	.75⅜	.....
.77⅞	.76¾	May	.....	.77⅞	.76¾	.76¾	1.24½
		Oats					
.49	.34⅝	July	.33¾	.36¾	.34⅝	.....	.....
.44	.32	Oct.	.32⅛	.33¾	.32⅛	.32¼	.45
.35⅝	.30¼	Dec.	.30	.31¼	.30⅜	.30½	.41⅛
.35	.35	Nov.	.35	.35	.35	.....	.....
		Barley					
.63⅜	.44	July	.44⅛	.45¾	.44½	.....	.....
.55	.44	Oct.	.44	.45⅝	.44	.44⅛	.59¼
.49¾	.43	Dec.	.44	.44⅝	.43¼	.43¼	.57½
		Flax					
1.77¾	1.32½	July	1.43¾	1.43¾	1.42¼	.....	.....
1.52	1.33½	Oct.	1.45	1.45	1.43	1.43	1.74⅝
		Rye					
.86½	.45¼	July	.....	.45⅞	.45⅞	.....	.....
.58	.45½	Oct.	.47	.47⅞	.45½	.45½	.87¾
.55½	.46⅝	Dec.	.48¾	.48⅝	.46⅝	.46⅝	.84¾

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Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
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Mills at
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Vice-President: HUGH MACKAY, K.C.
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J. W. PYKE — PAUL F. SISE — G. W. ALLAN, K.C.
FRANK S. MEIGHEN, C.M.G. — RT. HON. LORD SHAUGHNESSY, K.C.
Secretary: D. A. MacINNES — Treasurer: R. R. HUTCHISON

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COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
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Expanded Youth Training Lacks Job-finding Plan

With the Dominion appropriation for youth training increased 50% over last year, the programme has thus far failed to answer the problem of how to place unemployed young people in jobs.

This year's appropriation is $3 millions, and if matched under the plan by provincial grants, will mean total outlay of $6 millions for continuation of the training projects launched last year. In 1937, the Ottawa appropriation was $2 millions and co-operation of seven provinces gave training to 55,400 young men and women.

Unfortunately, Government reports on last year's work show that only a little more than 5% of those who received training subsequently found work, and not necessarily as a result of the training. In the first place, most of the beneficiaries of the courses enrolled for physical training or similar work designed to build up health and morale. Only 25% of the grand total of beneficiaries finished courses designed to fit them for employment, and of this group only 21% later landed jobs.

While it is hoped this year to give job-fitting training to a larger proportion of those aassis[illegible], no provision appears to have been made to get a higher percenta[illegible] into actual employm[illegible] the training [illegible] fields where [illegible] currently the [illegible]

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STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 25

Range 1938 High	Low	Div Jly23 R'te $	Y'ld %		Sales	Last July 18	Week end. July 25 H	L	Cl'se
				A					
4.75	1.00	.	...	Abitibi	11665	3.87	4.00	3.50	3.50
29	8½	.	...	Do. pref. 6%	4048	27¾	29	26½	27
38	25	.	...	Do. pref. 7%	....	(— bid — asked)			
26¾	9	.	...	Do. cert. dep.	30	26	26¾	26¾	26¾
*6¾	2½	30c	...	Acadia Sugar	....	(— bid 4½ asked)			
7	5	50c	...	Acme Glove	25	5	5½	5½	5½
82	70	6.50	...	Do. pref.	....	(— bid 75 asked)			

37	28	.	...	Do. pref.	13	37	37	36	37
65	50½	3	5.9	West. Grocers	....	(— bid 61 asked)			
115½	107	7	6.4	Do. pref.	22	110	115½	110	110
13½	9	80c	6.4	Weston Ltd.	1370	13	13½	12	12½
88	70	5	5.7	Do. pref.	20	85	88	87	87
4.00	.50	.	...	Windsor Hotel	10	4.00	.95	.50	.95
8	7	.	...	Do. pref.	2	7	7	7	7
3½	1½	.	...	Winnipeg El. A.	755	2¾	2¾	2¾	2¾
3	1	.	...	Do. (B)	150	2¾	2¾	2½	2½
17	7	.	...	Do. pref.	30	14½	15	11½	15
93	65	1.75▲	..	Wood, A. & J. p	....	(70 bid 77 asked)			
50	40	.	...	Woods Mfg., pf.	....	(45 bid 50 asked)			
4½	3½	.	...	York Knitting	....	(4½ bid 4¾ asked)			

* 1937.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1938.
• Initial. ° Stock bonus. † Interim.

Mining Stocks

Par. Val.	Range 1938 High	Low	Company	Sales	Close July 25 (or last)	High for week	Low for week	Close Aug. 1
			A					
1	.04½	.01	Afton	1,500	.02½	.03	.03	.03
No	.70	.35	Aldermac	92,735	.59½	.60½	.53	.57
1	.03½	.01	Alexandria	......	(.01 bid ... asked)			
1	.33	.16½	Amm. Gold	39,300	.22	.24	.21	.21

Oil Quotations

Vancouver Stock Exchange

Oil Stocks

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 2, 1938

	Int. Rate	Due	Bid Aug. 2	Asked Aug. 2	July 26
Simpsons Ltd.	4½	'51	98	101	98
Smith, Howard	4½	'51	103	106	103
†Steel of Can.	6	'40	109	112	109
‡United Gas	5½	'48	103	106	102½
United Gr. Grs.	5	'48	93½	96½	93½
†West. Grain	6	'49	49	52	49

‡Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
§Payable in U.S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 2, 1938

	Bid	Asked
United Corp. "A"	20.25	22.00
Do., "B"	13.00	14.00
Power Issues:		
Calgary Power pfd.	86.75	88.50
Can. West. Nat. Gas com.	24.00	27.00
Do., pref.	92.00	94.00
Great Lakes Power pfd.	100.00	104.00
Inter. Util. 1.75 pfd.	7.50	9.00
Do., 7.00 pfd.	85.00	...
Montreal Island Power pfd.	19.00	21.00
Northern Ont. Pwr. pfd.	7.00	101.00

Winnipeg Stocks

(Transactions from July 23 to July 26)

	Sales	High for period	Low for period	Close July 26
Beaver Lumber	300	5.00	5.00	5.00
Berens River	100	.85	.85	.85
Crescent Cr'm. p	1	12.00	12.00	12.00
Gt. Falls M.	2,000	.09½	.09	.09
Gurney Gold	1,700	.13	.13	.13
Magnet Lake	1,000	.11¾	.11¾	.11¾
Monarch Life	5	25.00	25.00	25.00
Sunbeam Kirk.	200	.43	.43	.43
Wingold	3,000	.04	.03½	.03½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Nor. Mtge., part pd.	2	...
Nor. Can. Mtge., p.	3	...
Northern Trust	6	...
Traders' Building	81	...
United Grain	7½	8
Western Brew.	1.80	2.50
West. Grain, pref.	...	12
Western Steel	10¼	11¾

*Stocks more active on other exchanges not included.

Municipal Bonds

Aug. 2, 1938

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	109.00	111.00	4.24
Hamilton	5	1950	111.50	113.00	3.65
Montreal	5	1945	103.25	104.75	4.15
Ottawa	4½	1945	108.00	109.50	3.00
†Quebec	5	1959	105.00	106.50	4.52
Saint John	5	1950	104.75	106.25	4.35
†Toronto	4½	1955	113.25	115.25	3.30
†Vancouver	5	1950	84.00	87.00	6.63
Winnipeg	5	1944	96.00	100.00	5.00

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Aug. 2	26,700	135,100	962,000
Aug. 1	19,600	47,200	Holiday
July 30	15,200	51,100	444,000
July 29	45,600	87,900	1,423,000
July 28	32,900	86,700	1,220,000
July 27	55,200	79,300	1,049,000

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.55	3.80
Can. Inv. Fund	3.90	4.25
All Can. Trustee	12.00	12.75
Trans-Canada	12.85	....
Grouped Income	4.90	5.45
Can. Int. Tr., modified	5.00	5.75
Do., unmodified	4.75	5.25

Unlisted Mines

TORONTO
August 2, 1938

	Bid	Ask		Bid	Ask		Bid	Ask
Addington	.15	.18	Hallnor	8.25	9.00	Pascalis	.37½	.40
Albany R.	.22	.24	Halliwell	.03½	.04	Porcu. Lake	.11	.13
Algoma S.	.19	.21	Hayes Cd.	..	.11	Porc. McN.	.03¾	.04
Amorada	.04	.05	Hislop	.02	.03	Plains P.	1.30	1.50
Arjon	.03½	.04½	Hiawa'a	1.53	1.58	Planet	..	.08
Armistice	.03	.04	Hutch. Lake	.04½	.05	Pontiac R.	.14½	.15½
Argosy	.05¾	.06½	Hugh PP.	.16	.18	Polaris	.25	.27
Arno	.02½	.03						

MONTREAL
August 2, 1938

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

Aug. 3, 1938	Bid	Asked	Approx. Yld.
1 Jan. '39	100.75	101.25	...
1 June '39	100.00	100.45	.50
15 Nov. '39	101.25	101.75	.67
15 Oct. '39	101.75	102.25	.70
15 Oct. '39	103.65	104.05	.95
1 June '40	100.50	101.25	.82
1 Sept. '40	105.87	106.37	1.39
15 Mar. '41	99.00	99.75	1.10
15 Nov. '41	109.50	110.00	1.96
1 June '42	101.00	101.75	1.54
15 Oct. '42	104.25	105.00	1.77
1 June '43	102.25	103.00	1.86
15 Oct. '43	112.75	113.25	2.28
1 June '44	99.25	99.75	2.01
15 Jan. '44	101.62	102.37	▲1.70
15 Oct. '44	111.50	112.00	2.46
15 Nov. '44	101.75	102.25	2.11
15 Aug. '45	102.62	103.37	▲1.80
15 Oct. '45	108.00	108.50	▲2.26
1 Feb. '46	111.75	112.25	2.72
1 June '49	102.50	103.00	▲2.82
15 Oct. '49	104.00	104.50	▲2.71
15 Nov. '51	102.00	102.50	▲2.98
1 May '52	111.87	112.62	▲1.52
15 Oct. '52	107.87	108.37	▲2.99
1 June '55	98.75	99.25	3.06
1 Nov. '56	111.00	111.75	▲2.95
1 Nov. '57	111.25	112.00	▲3.09
1 June '58	98.12	98.62	3.09
1 Nov. '58	112.00	112.50	▲3.09
1 Nov. '59	112.50	113.00	▲3.14
1 Oct. '60	109.75	110.50	▲2.98
15 Jan. '61	103.62	104.32	▲2.93
1 June '66	100.50	101.00	▲3.19
15 Jan. '67	98.37	99.12	3.04
Perp. bonds	89.25	89.75	3.34

Dominion Guaranteed Bonds

Canadian National Railway:	Bid	Asked	Approx. Yld.
15 Jan. '42	100.25	101.25	1.63
15 Feb. '43	99.50	100.50	1.88
1 May '44	103.25	104.25	2.14
15 Dec. '50	98.50	99.50	3.05
15 Feb. '53	98.00	99.00	3.09
1 Sept. '51	115.00	116.00	3.00
1 Feb. '56	115.75	116.75	3.24
1 July '57	115.00	116.00	3.35
15 June '55	117.75	118.75	3.30
1 Feb. '54	118.50	119.50	3.37
1 July '69	116.75	117.75	▲2.54
1 Oct. '69	119.75	120.75	▲3.19
1 Feb. '70	119.75	120.75	▲3.19

Provincial Government Bonds

	Bid	Asked	Approx. Yld.
New Brunswick:			
15 Oct. '51	92.00	93.00	3.66
15 June '56	94.00	95.00	3.88
15 Nov. '47	101.50	102.50	▲3.61
15 Apr. '61	104.00	105.00	4.16
15 Jan. '60	109.00	110.00	4.28
Nova Scotia:			
2 Jan. '52	96.00	97.00	3.27
1 June '56	98.00	99.00	3.32
15 Dec. '49	101.50	102.50	3.24
15 Sept. '52	110.00	111.00	▲3.11
15 Nov. '60	111.50	112.50	3.68
1 Mar. '60	117.00	118.00	3.78
Ontario:			
15 May '45	100.50	101.50	2.26
1 Dec. '51	98.25	99.25	3.07
15 Nov. '51	100.75	101.75	▲3.07
1 June '62	108.00	109.50	3.42
1 June '50	112.25	113.25	3.17
15 Jan. '62	114.50	116.50	3.47
15 Oct. '48	115.50	116.50	3.14
2 Dec. '60	122.00	123.50	3.48
1 July '46	116.50	117.50	3.01
Ont. Hydro Comm.:			
1 Feb. '53	99.75	100.75	▲3.17
1 Apr. '47	102.50	103.50	3.03
1 Jan. '70	118.50	120.00	3.67
Prince Edward Island:			
1 Oct. '45	99.50	100.50	2.92
Quebec:			
1 Nov. '51	97.50	98.50	3.14
1 Mar. '48	100.50	101.50	3.06
1 June '52	99.50	100.50	3.20
15 Mar. '52	105.50	106.50	3.41
1 Aug. '58	109.50	110.50	3.51
2 Jan. '63	112.50	113.50	3.66
Alberta:			
15 Dec. '34	53.75	57.75	§
1 Oct. '51	59.50	63.50	§
1 Oct. '56	56.00	60.00	§
1 Oct. '59	57.25	61.25	§
1 Apr. '52	60.00	64.00	§
1 Mar. '47	61.00	65.00	§
British Columbia:			
1 Dec. '57	88.25	91.25	4.69
15 Jan. '51	96.50	99.50	4.55
1 Oct. '53	95.50	98.50	4.63
25 Apr. '54	98.75	101.75	4.84
1 Feb. '45	101.50	104.50	4.69
15 Feb. '47	103.00	106.00	5.12
Manitoba:			
1 Dec. '57	82.50	86.50	5.10
15 Dec. '56	87.50	91.50	5.22
2 Dec. '59	93.50	97.50	5.19
1 Oct. '55	97.00	101.00	5.41
1 Apr. '47	99.00	103.00	5.56
Saskatchewan:			
1 Nov. '60	70.00	74.00	6.15
1 Oct. '51	79.50	83.50	6.33
15 Mar. '60	74.00	78.00	6.37
1 Aug. '58	80.00	84.00	6.42
1 Oct. '52	86.00	89.50	6.63
15 Mar. '52	88.00	92.00	6.90

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. Payable Can. & N.Y. ■Payable N.Y. Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Aluminium, pfd.	$1.50	Sept. 1	Aug. 15
Assoc. Tele., 1st pf.	49c	Aug. 15	July 30
Do., $6 pref.	42c	Aug. 15	July 30
Agnew-Surpass	30c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bk. Can. Nationale	$2	Sept. 1	Aug. 15
Borden Co., c.	30c	Sept. 1	Aug. 15
Bank of Montreal	$2	Sept. 1	July 30
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
Buff. Ankerite	25c	Aug. 15	Aug. 1
Beattie Gold	5c	Aug. 20	July 29
Coniagas Mines	12½c	Aug. 8	July 30
Crown Cork	25c	Aug. 15	July 30
Cons. Sand, pref.	$3.50	Aug. 15	July 30
Cosmos Imp.	25c	Aug. 15	July 30
Do., pref.	$1.25	Oct. 15	Sept. 30
Can. Fairbanks, c.	$1	Aug. 15	July 30
Canadian Oil, c.	12½c	Aug. 15	Aug. 1
Conduits Nat.	10c	Aug. 8	Aug. 3
Can. Wire & C. pf.	$1.62½	Sept. 15	Aug. 31
Dominion Bridge	30c	Aug. 15	July 30
Dom. Ang. Inv., p.	$1.25	Sept. 1	Aug. 15
Firestone Pete.	2c	Sept. 3	Aug. 20
Foundation Pete.	2.5c	Sept. 3	Aug. 20
Ford Motor	25c	Sept. 17	Aug. 27
Gurd, Chas., pref.	$1.75	Aug. 15	Aug. 1
Hollinger Cons.	5c	Aug. 12	July 29
Do., extra	5c	Aug. 12	July 29
Inter. Nickel, c.	50c	Sept. 30	Aug. 31
Kerr Lake M.	5c	Aug. 15	Aug. 1
Loblaw "A," "B"	25c	Sept. 1	Aug. 10
Lake of W. M. p.	$1.75	Sept. 1	Aug. 15
Louisiana Land, c.	10c	Sept. 15	Sept. 1
McIntyre Porc.	50c	Sept. 1	Aug. 1
Monarch Rylts.	1c	Sept. 3	Aug. 20
N.S. L. & Pr. pf.	$1.50	Sept. 1	Aug. 13
Neon Products	25c	Aug. 15	July 30
Nat. Biscuit	40c	Oct. 15	Sept. 16
Do., pref.	$1.75	Aug. 31	Aug. 12
Nipissing Mines	15c	Aug. 22	Aug. 1
Ont. Steel	50c	Aug. 15	July 30
Do., pref.	$1.75	Aug. 15	July 30
Penmans	75c	Aug. 15	Aug. 5
Prairie Rylts.	5.5c	Sept. 3	Aug. 20
Prov. Transport	10c	Aug. 15	Aug. 1
Quebec Power	25c	Aug. 15	July 25
Rolland Paper	25c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 1	Aug. 15
Royal Bank	$2	Sept. 1	July 30
Regent Knit., pf.	40c	Sept. 1	Aug. 15
Stuart D. Oil p.	20c	Sept. 1	Aug. 15
Shawinigan W.	20c	Aug. 15	July 28
South. Can. Pr., c.	20c	Aug. 15	July 30
Toburn Gold	2c	Aug. 22	July 22
Do., extra	2c	Aug. 22	July 22
Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	‡$1	Sept. 1	Aug. 15
United Corp., A	38c	Aug. 15	July 30
Walker-G. & W.	$1	Sept. 15	Aug. 26
Do., pref.	25c	Sept. 15	Aug. 26
York Knitting pf.	$3.50	Aug. 15	Aug. 11
Do., 2nd pref.	$3.50	Aug. 15	Aug. 11

†Initial. ‡On arrears. *Rate, distribution from production returns.

S.E.C. to Hear Application For Dom. Stores Delisting

A public hearing will be held by the Securities and Exchange Commission on Sept. 13 in Washington, to consider application of Dominion Stores to withdraw its stock from the New York Stock Exchange.

At the company's annual meeting on March 14, shareholders approved delisting of the stock, and it was stated at that time that application would be made to have the stock listed on the Montreal Stock Exchange instead of the Curb after the New York delisting.

Mining Dividends

	Rate	Close Aug. 1	Yield %
Anglo-Huronian	10c	3.20	3.1
Beattie Gold	10c	1.24	8.1
Bralorne	60+30c	9.60	*9.4
Buffalo Ankerite	$1	16.50	6.1
Bulolo Gold	$3	28.50	10.5
Can. Malartic	6c	.94	6.4
Cariboo	10c+4½c	2.45	*5.9
Central Patricia	12c	2.70	4.4
Coniagas	25c	1.68	..
Coniaurum	‡5c	1.34	..
Cons. Smelters	50c+50c	60.00	...
Dome Mines	$2	32.50	6.2
Falconbridge	30c	6.35	4.7
Gunnar Gold	†3c	.72	4.2
Hedley Mascot	12c+3c	1.10	*13.6
Hollinger	65c+45c	15.00	*7.3
Howey Gold	4c	.27	...
Hudson Bay	$1.75	30.00	...
Inter. Mining	25c	10.50	..
Int. Nickel, com.	$2+25c	50.00	*4.5
Island Mountain	5c	1.25	4
Jack Waite	†1½c	.54	...
Kerr Lake	5c	.50	10
Kirkland Lake	8c	1.37	5.8
Kootenay Belle	9c+1c	1.38	*7.2
Lake Shore	$4+$1	52.00	*9.6
Lava Cap M.	5c	.95	...
Little Long Lac	10c	3.65	...
Macassa	20c	5.00	4
McGillivray Creek	3c	.21	...
McKenzie Red Lake	12c	1.20	10
McKinley Sec.	5c	.60	8.3
Noranda	‡$2	72.50	...
Nipissing	15c	1.75	...
North. Empire	50c	8.50	5.9
Oro Plata	†4c	.70	...
Pioneer, B.C.	40c	3.00	13.3
Pickle Crow	40c	4.75	8.4
Placer Develop.	$1.20	16.00	7.5
Premier	12c	2.26	5.3
Reno	12c	.47	...
San Antonio	14c	1.25	11.2
Sheep Creek	12c+2c	.98	*14.3
Silbak Prem.	†4c	1.99	...
Siscoe	20c+1c	2.20	*9.5
Sudbury Basin	10c	2.95	...
Sullivan Cons.	5c	1.05	4.8
Sylvanite	20c+5c	3.25	*7.7
Teck-Hughes	40c+10c	4.55	*10.9
Toburn	8c+4c	2.05	*5.8
Ventures	37½c	6.50	5.7
Wright-Harg.	40c+30c	8.00	*8.7

†Initial. *Yield includes bonus. ‡Interim.

DIVIDEND NOTICES

Banque Canadienne Nationale

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the BANQUE CANADIENNE NATIONALE on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August, 1938. This dividend, bearing the number 190, will be payable at the Main office or at the branches of the Bank, on or after the first day of September, 1938, to the shareholders of record on August 15th, 1938.

By order of the Board,
CHARLES ST-PIERRE,
General Manager.

Borden's

COMMON DIVIDEND No. 114

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable September 1, 1938, to stockholders of record at the close of business August 15, 1938. Checks will be mailed.

The Borden Company
E. L. NOETZEL, Treasurer

LAKE OF THE WOODS MILLING CO. LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company payable on September 1st, 1938, to shareholders of record at the close of business on August 15th, 1938.

By Order of the Board,
D. A. MacINNES,
Secretary.

York Knitting Mills, Ltd.

Notice is hereby given that a dividend of 3½% was declared on the first preference stock for the six months ending June 30, 1938, figured at the rate of 7% per annum, payable August 15th, 1938, to all shareholders on record as at the close of business on August 11th.

Notice is hereby given that a dividend of 3½% was declared on the second preference stock for the six months ending June 30, 1938, figured at the rate of 7% per annum, payable August 15th, 1938, to all shareholders on record as at the close of business on August 11th.

W. A. CLARKE,
Secretary.

Dividend Notice Commoil Limited

NOTICE is hereby given that an Interim Dividend of 3½c per Share has been declared on the outstanding no par value shares of the Company, payable August 25th, 1938, to Shareholders of Record August 11th, 1938.

The Transfer Books of the Company will not be closed.

BY ORDER OF THE BOARD,

Calgary, Alberta, July 29, 1938.
G. J. McKAY,
Secretary.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending August 31st, 1938, payable on the 1st day of September, 1938, to shareholders of record at the close of business on the 10th day of August, 1938. Payment will be made in Canadian Funds.

JUSTIN M. CORK,
Secretary.
Toronto, July 27, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Wheat Carryover At Record Low

Canada ended its crop year on July 31 with slightly under 20 million bushels of wheat in commercial storage. This was the smallest carryover since this country started wheat growing on a major scale. It is particularly small when it is realized that the bulk of the present supply is made up of durum type wheat which does not enter into bread production, but is largely used for macaroni. Record carryover was in 1935 when almost 200 million bushels of unsold wheat choked country and terminal elevators at the end of the crop year. Recent crop year-end figures are as follows:

Wheat Carry-over July 31

	Bushels
1938	X19,000,000
1937	33,285,000
1936	120,115,000
1935	197,296,000
1934	187,440,000

X—Estimated.

Flood Conditions Blamed For Loss at Jack Waite

Flood conditions which necessitated closing the Jack Waite Mining Co. plant at Coeur d'Alene, Idaho, for several weeks during April and May are blamed for the almost $31,000 net loss registered for the operations of the first six months of the present year.

Operating profit of $6,112 was made in June. Total net income for the six months was $147,687 with a total operating cost of $143,671. When overhead, interest, depreciation and amortization is added in, there is the net loss of $30,948.

During the period, some 1,000 ft. of development work was done, opening up extensive new ore reserves.

Hedley Mascot Clears $197,200 in Half Year

From Our Own Correspondent

VANCOUVER. — Production at Hedley Mascot Mines was $387,053 from 32,657 tons of ore treated in the first six months of this year, an average of $11.85 per ton.

Net profit after income tax was $197,200. Cash position as at June 30 stood at $510,177 comprising cash, bonds, smelter returns and concentrates. Dividends of 3 cents and extras of one cent were paid each quarter. A similar dividend has been declared payable July 2.

Oil Potential Unaffected By New Proration Plans

From Our Own Correspondent

CALGARY.—Present potential of approximately 51,000 barrels per day will not be changed more than 5% either way by the new system of proration, it is being estimated by oil men here.

W. F. Knode, chairman of the Alberta conservation board, says he expects that production tests on all wells will be completed in the course of a few days.

Cub Aircraft Plans Further Financing

Further financing of Cub Aircraft Corp. is in prospect to provide funds for expansion of production facilities. The company has a plant at Hamilton and makes a small two-seater plane selling in the lowest price field.

Last October an offering of stock was made by the former Toronto investment house of Williams, McLean & Bell. Giving effect to the financing of last October, the company had $187,500 of $25 par value preference and 65,000 common shares outstanding. Authorized amount of preference was the same as the outstanding amount and there were 20,000 unissued common shares.

Provincial Transport Business Improves

From Our Own Correspondent

MONTREAL. — Provincial Transport Co., which is controlled by Montreal Tramways Co., reports passenger revenues for the six months ended June 30 at $501,938, compared with $445,206 in the same period last year. In the month of June revenues were $150,073, as against $131,577 in the same month of 1937.

Operating expenses have also been higher due to increased mileage and higher wage rates put into effect last year.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 43

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on September 17, 1938, to shareholders of record at the close of business August 27, 1938.

D. B. GREIG,
Secretary.

Windsor, Ont.,
July 29, 1938

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 36

NOTICE IS HEREBY GIVEN that a dividend of 10 cents per share has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending August 15th, 1938, payable September 15th, 1938, to shareholders of record at the close of business on August 15th, 1938.

By Order of the Board,
FRED HUNT,
Secretary.

August 1st, 1938.

Allied Bakeries Still Expanding

British Interest of W. Garfield Weston Reports Progress

W. Garfield Weston, chairman of Allied Bakeries, Ltd., told shareholders at the annual meeting in London on July 20, 1938, that certain profit adjustments where companies had been brought into the group during the year were still causing inconvenience.

Maintenance of the current rate of earnings, according to Mr. Weston, will mean net trading profits of around £293,000 this year. Although present issued capital has not been outstanding during the whole year, a dividend of 6% on total ordinary share capital was paid, making 10% for the year. Position of the company had improved. Cash and government bonds amounted to over £317,000.

During the year nine established businesses had been brought into the group, Mr. Weston stated. Management of each company acquired had been willing to continue with the organization and had accepted stock as the major part of the purchase price.

Allied Bakeries is one of the interests of W. Garfield Weston, who is also president of George Weston Ltd. in this country. Some time ago the Canadian company disposed of its interests in the British operations which are now under control of George Weston Foods. Canadian shareholders of George Weston Ltd. obtained a certain interest in the British operations through the offer of shares in George Weston Foods made to them.

Inter City Western Co. Favors Geo. Weston Offer

Bakeries situated in Manitoba, Saskatchewan and Alberta of Inter City Western Bakeries all showed reduced earnings during the past year, Hugh Mackay, president told shareholders in presenting the annual report.

The directors of the company consider the compromise or arrangement for the disposal of the company's properties to George Weston Ltd. as being in the best interests of the shareholders and bondholders, Mr. Mackay stated.

Income and Surplus Account Years Ended

	Jan. 29, 1938 $	Jan. 30, 1937 $
Operating profit	95,492	117,194
Less: Expenses	8,492	8,915
Res. for bad debts	9,707	12,021
Exps. of bondholders committee	......	4,000
Spec. expense	2,153	......
Exec. salaries	5,900	5,400
Sask. & Weyburn charges	3,587	3,542
Prov. for taxes	......	454
Net earnings	65,653	82,862
Less: Bond interest	94,653	94,199
Exps. re int.	900	......
Depreciation	50,000	50,000
Loss for year	79,900	61,337
Add: Prev. deficit	653,000	589,270
Inc. tax, pr. yrs.	1,341	2,393
Sales tax, pr. yrs.	308	......
	734,549	653,000
Times Bond Int.† Earned:		
Before deprec.	0.69	0.88
After deprec.	0.16	0.35

†Including expenses re interest payment in 1938.

Earns. per Share:		
Preferred: Earned	d$2.05	d$1.57
None paid.		
Common: Earned	d0.79	d0.65
None paid.		

Working Capital

	1938 $	1937 $
Current assets	219,082	232,032
Current liabilities	49,079	36,384
Working capital	170,003	195,648

Crop to Benefit Canadian Pacific

(Continued from page 1)

be expected to move before the end of December. Of this amount, the C.P.R. should get at least 107 million bushels. Taking into account other grains and shipments during the first seven months total grain handlings should at least equal the 1936 figure of 143 million bushels. Since it is estimated the railways receive an average of 12 cents a bushel this would mean an additional $6 millions in revenue.

Just as important as the additional grain movement would be the increase in other traffic. It is generally expected a good crop will give a definite impetus in business. Certainly, there should be larger purchases by western Canada. This, in fact, is already evident. An important factor in regard to the westward movement of goods is that it is more profitable to the railways than the movement of grain.

Higher Profits Not Assured

While prospects are for increased traffic this fall the C.P.R. is not assured of as large profits as last year when 30 cents a share was earned on the common stock. In the first place, costs are higher this year due to restoration of pay cuts. Then, again, "other income" is an important factor in C.P.R. profits.

In 1937, "other income" of the C.P.R. amounted to $16.7 millions. Present indications are this will be reduced somewhat in the current year. Dividends received from the Consolidated Mining and Smelting Co. last year amounted to $5.8 millions. In view of the decline in base metal prices it is not likely they will be as large this year. Hotel and steamship earnings can also be expected to be lower due to falling off in tourist trade.

C.N.R. Prospects

Prospects of the C.N.R. for the latter part of the year are not as favorable as in the case of the C.P.R. Earnings of the Government-owned railway declined more than $12 millions in the first six months. It is doubtful if this can be made up even in view of the better crop.

As already pointed out, the C.N.R. does not stand to gain as much from a good grain crop as its rival. Another unfavorable factor is its large mileage in the United States. This has been one reason for the more severe drop in earnings. Contributing to this has been the smaller volume of new car sales. Normally, the C.N.R. moves a considerable volume of automobiles from the Detroit area to eastern United States.

Week in Wheat

Market Shows Effect Of Price Uncertainty

Waiting for Government to Announce Guarantee Level, Traders Indifferent to Reports of Crop Damage on Prairies

From Our Own Correspondent

WINNIPEG—Under normal conditions the market might have been expected to react to crop damage reports from the Prairies but not while an unset Government price was hanging over its head. Trading interest in the new crop up to the middle of this week has been at an extremely low ebb. With the crop likely to be smaller than expected, pressure for a renewed Government-guarantee price of 87½ cents a bushel may put most of the crop in Government hands.

Just how the market will behave when the Government is buying wheat at one price and probably selling it at considerably less, is uncertain.

While there has been some recession in price for new crop futures, the most marked decline has been in the values of old crop wheat. Holders of the limited quantity of old crop wheat still available had to mark their prices down by a full five cents a bushel at the opening of the August market.

The price of 87½ cents a bushel was recorded at the first session this month. This price if registered during July, would have brought the Wheat Board automatically into action to buy any wheat producers cared to offer to it at that level. The figure had been guaranteed to farmers for last year's crop, although the market at no time during the crop year sank that low.

Conditions Abroad

Russian wheat offerings have had some bearish effect at Liverpool during the past two weeks. Liverpool opinion still insists that the total quantity of wheat Russia can spare during the crop year will not be large. Drought damage to spring wheat is expected to offset the good yields secured from winter wheat, which has now been harvested.

France is reported to have a crop of some 330 million bushels, a surplus over domestic requirements. It is not believed that France will attempt to force this into export by subsidies, but that the surplus will rather be held in the country by the Government as a basis for security stocks.

German need for food imports has been stressed in some recent dispatches, and suggestions are made that the United States could sell some considerable quantities of grain if arrangements for granting credits could be made.

General expectation in the trade is that the demand from overseas for Canadian wheat will be greatly increased as soon as sufficient stocks of new wheat are available in shipping quantities. The hope is that British millers will adjust their milling mixes at an early date to provide for the incorporation of a much greater quantity of Canadian wheat than has been used during the past year.

* * *

No July Squeeze

In spite of the shortage of old crop wheat of contract grades, the steady recession of July wheat prices continued up to the end of the month when trading in that delivery ceased. The open interest in the future had evidently been small for a considerable time. Under some circumstances a technical squeeze might have developed in the future because quantities of tenderable grain were so limited. Nothing of the kind, however, developed, and the future was liquidated without difficulty, the open interest apparently declining steadily, and almost regularly until the last trading day of the month.

* * *

Price Uncertainties

Uncertainties about the effects of government action in the wheat market, both in Canada and in the United States, have had a slowing-up tendency so far as both export business and speculative trading are concerned. What the United States Government is prepared to do in the way of lending money on stored wheat and giving an option of sale at the loan price is quite definitely known. Equally it is known that the Government is prepared to acquire some 200 million bushels of wheat to be stored for the most part as one feature of the administration's plan for an "ever-normal granary."

But there is uncertainty as to the number of farmers who can take advantage of the Government's offer. Some of them may be disqualified from receiving loans through having grown a wheat acreage greater than an allotment presumed to have been made for this past year. Others may be afraid to accept loans for fear of being asked to commit themselves to acreage reductions next year, although there is no legal authority for administrative officers making such a demand. Others may be unable to get loans because their wheat is not of the higher grades which alone afford eligible security, while others may neither have available farm storage nor convenient access to public storage. It is probable that the U.S. loan values provide a series of low points through which market values of different wheats can hardly fall, but it is not yet certain just what those points are for different varieties and for different central markets in the United States.

* * *

Government Action

Government action in Canada is based on a different theory and a different objective than that in the United States. Ottawa, although planning to buy wheat, does not want to pile up a surplus to be carried forward to another year. What it buys, presumably it will sell again, and at prices that will move it into consumption during the crop year. In theory the Government figure for a minimum price should not affect the Canadian market at all, but if prices continue lower, overseas buyers will be reluctant to make commitments, feeling that one source of supply will always be available. If, however, the market is able to move ahead of the Government minimum, either at first or later in the season, the market should function largely independently of the existence of the Canadian Wheat Board.

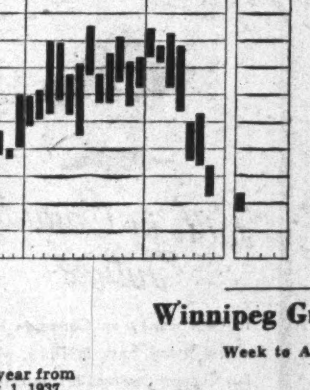
The Government price is a minimum which is assured to farmers at any time during the crop year. If the open market is close to the minimum, either above or below, farmers will be encouraged to hold their wheat for a possible rise later in the year, that is to the extent that their obligations will permit. They cannot get less than the Government price, and may conceivably get more. That consideration may act as a brake on market declines when market price level is close to the Government buying price.

In the long run, however, Government action in the United States may have more to do with the market level in Canada than has action to be taken by Canada's Government. Wheat south of the border may be definitely kept out of export channels by the government of that country, which would create a greater opportunity for marketing Canadian wheat, provided, of course, that this country does not in turn limit its exports by marking up its prices.

Macassa Production Gains During July

Gains over June are reported by Macassa Mines for its production during July. Bullion produced amounted to $131,888 compared with $130,832 the previous month. Tons milled amounted to 8,110 compared with 8,383 and average recovery was $16.26 compared with $16.73.

Wheat Prices



(Cash Quotations)

	For Week Aug. 2 High	For Week Aug. 2 Low	Prev. Week High	Prev. Week Low
1 Northern	.93½	.87½	1.01¾	.95
2 Northern	.90½	.84½	.98¾	.92
3 Northern	.85½	.81½	.93¾	.87
4 Northern	.75½	.71½	.83⅝	.77
5 Wheat	.65¼	.63½	.66⅝	.63⅝
6 Wheat	.59¼	.57½	.60⅝	.55⅝
Feed Wheat	.57¼	.56⅛	.58⅝	.55⅝

Competitive Export Prices: Aug.-Sept. shipments!

	Week to Aug. 2 High	Low
No. 1 North. (Van.)	1.12	.98½
No. 3 North. (Atlan.)	1.06⅝	.94⅞
Australian (afloat)	.94⅞	.92⅜
Indian (choice Karachi)	.93½	.91⅞
U. S. Hard Winters	.88¾	.88
U. S. White Pac.‡	.83½	.82⅞
Argentine Barusso	.92¾	.90½
Russian†	.80½	.79⅝

†New crop.
‡Loading.

Winnipeg Grain Futures

Week to Aug. 2, 1938

Crop year from Aug. 1, 1937 High	Low		Open July 27	High for week	Low for week	Close Aug. 2	Close year ago
		Wheat					
1.22½	.88⅛	July	.92	.95¼	.88¾	.....	.....
1.03	.73¾	Oct.	.74⅞	.77¾	.74⅞	.75½	1.27⅛
.86⅝	.73¼	Dec.	.73½	.76	.73½	.74½	1.23⅝
.87⅞	.75	Nov.	.75⅛	.76⅞	.75	.75⅝	.....
.77⅞	.76¾	May	.....	.77⅞	.76¾	.76¾	1.24½
		Oats					
.49	.34⅝	July	.33¾	.36¾	.34⅝	.....	.....
.44	.32	Oct.	.32⅞	.33¾	.32⅛	.32¼	.45
.35⅝	.30¼	Dec.	.30	.31¼	.30⅜	.30½	.41⅛
.35	.35	Nov.	.35	.35	.35	.....	.....
		Barley					
.63⅝	.44	July	.44½	.45¾	.44½	.....	.....
.55	.44	Oct.	.44	.45⅝	.44	.44⅛	.59¼
.49¾	.43	Dec.	.44	.44⅝	.43¼	.43¼	.57½
		Flax					
1.77¾	1.32½	July	1.43¾	1.43¾	1.42¼	.....	.....
1.52	1.33½	Oct.	1.45	1.45	1.43	1.43	1.74⅝
		Rye					
.86½	.45¼	July	.....	.45⅞	.45⅞	.....	.....
.58	.45½	Oct.	.47	.47⅞	.45½	.45½	.87¾
.55½	.46⅝	Dec.	.48¾	.48⅝	.46⅝	.46⅝	.84¾

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Expanded Youth Training Lacks Job-finding Plan

With the Dominion appropriation for youth training increased 50% over last year, the programme has thus far failed to answer the problem of how to place unemployed young people in jobs.

This year's appropriation is $3 millions, and if matched under the plan by provincial grants, will mean total outlay of $6 millions for continuation of the training projects launched last year. In 1937, the Ottawa appropriation was $2 millions and co-operation of seven provinces gave training to 55,400 young men and women.

Unfortunately, Government reports on last year's work show that only a little more than 5% of those who received training subsequently found work, and not necessarily as a result of the training. In the first place, most of the beneficiaries of the courses enrolled for physical training or similar work designed to build up health and morale. Only 25% of the grand total of beneficiaries finished courses designed to fit them for employment, and of this group only 21% later landed jobs.

While it is hoped this year to give job-fitting training to a larger proportion of those aassisted, no provision appears to have been made to get a higher percentage into actual employment or to adjust the training to requirements in fields where prospects of work are currently the best.

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Cockshutt Plow

What are the annual interest requirements on the capital of Cockshutt Plow, and are there any arrears of dividends?

Cockshutt Plow Co. has no arrears of dividends as its only capital obligation is 300,678 no par value common shares. The company has no bonds or preferred stock outstanding or authorized. It has bank loans which amounted to $2.3 millions at Nov. 30, 1937, and interest on these is the only requirement the company has of that nature.

Winnipeg Electric

I note that earnings of Winnipeg Electric have declined this year. Will it earn the income interest on the Series "B" bonds?

Net earnings of Winnipeg Electric declined by $69,985 to $1,402,467 in the first six months of the year, but it is expected the company will earn the income interest on its Series "B" bonds. In 1937 net earnings of the company available for interest on income bonds amounted to $372,391. Interest requirements of the Series "B" bonds are $240,000 annually so that there was a margin of $132,391. Continuance of the decline experienced in the first half of the year might mean earnings would not be quite sufficient to meet the income interest. However, prospects for the second half of the year are favorable. It is expected there will be some improvement in earnings in the latter part of the year.

Last year the company expended slightly over $100,000 on redeeming contingent certificates. This was charged against the surplus of $372,391 available for income interest. This year the company is not likely to have as large an amount available for this purpose.

Canadian Locomotive

I would like information regarding Canadian Locomotive Co., and some idea of the business that this company has on hand.

No information has been released by the company since it received an order for 15 streamlined locomotives from the C.P.R. last March. The amount involved is more than $2 millions. There was carried over into the current year orders for 11 locomotives, which means that with these two large orders there is more work than was available in 1937.

Based on these facts, there appears a distinct probability that the company will have earnings available for the 6% income bonds this year. At the end of last year these bonds were in arrears 24%, necessitating payment of about $250,000, which would absorb earnings even in an excellent year.

Outlook for the company's common shares appears doubtful for this season. It is probable that the company also has arrears of depreciation to provide, and last year total net earnings of $196,129 were applied toward this account.

In addition to its business in making locomotives, which has suffered very severely in recent years, the company also has a growing line of mining machinery. In 1937 the company shipped 12 locomotives, whereas, assuming that all 15 locomotives ordered for the C.P.R. in addition to the 11 with which the company started this year, are completed, deliveries would be 26 in 1938. That this would result in substantially higher profit is practically assured.

De Havilland

In view of developments in the aircraft industry and the possibility of British orders how do you consider the prospects for the stock of de Havilland Aircraft?

Interest in the stocks of airplane manufacturers in Canada has been awakened by numerous reports regarding coming purchases by Great Britain in this country. So far, however, we understand that these purchases have not been large. The aircraft manufacturing industry in this country has never established a very high earning power and, on the basis of its past record, it must be considered speculative.

de Havilland Aircraft of Canada is one of the oldest companies in the business in this country. It has manufacturing and distributing rights for the products of the company of the same name operating in Great Britain. So far this company has not extended its line to include the larger types of airplanes which are apparently the ones most likely to be purchased by the British Government. It has specialized in machines adapted for Canadian purposes and which have found use with the Royal Canadian Air Force, the R.C.M.P., the Ontario Government Forestry Patrol, Flying Club and many commercial flying enterprises in Canada.

It is understood that negotiations have started which, it is hoped, will lead to a reorganization of the company and the elimination of arrears of dividends on the preferred stock. It is also understood that the British company will participate in this move and will likely provide additional capital. At present the company is working on a substantial order from England for airplane parts which is expected to keep the plant operating at capacity for some time. Prospects are that profits for the year ending Sept. 30, 1938, will be higher than the $1.40 a share earned on the preferred stock last year.

Ford Motor

What is your opinion of the shares of Ford Motor as an investment? What effect would a European war have on the company's business?

The class A stock of Ford Motor Co. of Canada is generally well regarded as an investment. Paying regular dividends of $1 a share annually, the company earned last year $2.27 a share. Because of the small decrease in sales volume for the first half of 1938, it is quite probable that earnings for the full year will not quite reach last year's high level. It is expected, however, that the decrease will be comparatively small, particularly in view of the current improved prospects for the crop in Western Canada. This will probably assist Ford considerably.

The company does about 50% of its business in the export market, holding franchises to export to all parts of the British Empire, with the exception of Great Britain and Ireland.

The company is just completing a programme of expansion and improvements carried out over the past two or three years, which will add considerably to its manufacturing facilities and which has been financed entirely from earnings. A general European war would undoubtedly result in considerable dislocation of foreign markets, at least temporarily. Ford Motor Co., however, might obtain considerable orders for military equipment which might conceivably offset any loss suffered through interruption of its other markets.

Candn. Converters

I should like a report on the common stock of Canadian Converters. Is it a good investment?

Common stock of Canadian Converters is a speculative security as the outlook for the company is indefinite. Last year the company deferred common dividends to conserve resources in view of unsatisfactory earnings.

Surplus and working capital had been steadily reduced since 1931 as earnings were sufficient in only one year to meet dividend payments. In the year ended April 30, 1938, net profit was $8,692, compared with $1,237 in the preceding year. The low level of earnings in these years, despite general improvement in business, indicates the position of the company is hardly satisfactory.

Candn. Vickers

What is the outlook for the common stock of Canadian Vickers?

Common stock of Canadian Vickers must be regarded as a speculation. Earnings have been unsatisfactory for some years and the company has not met sinking fund payments on its first mortgage bonds since Aug. 1, 1932, while preferred arrears total over $60 a share. If aircraft orders are placed in Canada by the British Government the company probably will derive substantial benefits. However, even if profits increased sharply, no return could be expected on the common for some time. Before common dividends could be paid, the company would have to improve working capital and liquidate arrears of sinking fund payments and preferred dividends.

Cyanamid 6 Mos. Profit Is Lower

Net Equivalent to 19c on Classes A and B Against $1.13

Earnings of American Cyanamid Co. for the six months ended June 30, 1938, were equivalent to 19 cents a share on the combined 2,520,368 class A and B common shares against $1.13 a share on the same number of shares. During the past year the company has issued 170,453 preferred shares of $10 par value. It is stated that the interim statement does not include the company's equity in the undistributed net income of certain affiliated companies in which American Cyanamid does not have a majority interest.

In 1937, American Cyanamid reported net profits of $5.3 millions for the full year, equivalent to $2.09 a share on the combined class A and B shares. Dividends paid totalled $1.60 a share of which $1 was paid optionally in cash or 5% preferred stock.

Consolidated Income Statement
Six Months Ended June 30

	1938 $	1937 $
Net oper. profit	3,208,785	5,471,591
Add: Divs., int. & disc.	203,260	269,135
Royalties, licenses	89,206	87,708
Other earnings	28,652	25,322
Total net earnings	3,529,903	5,853,756
Less: Depl. & deprec.	1,411,872	1,334,565
Res. & devel. exps.	964,421	847,758
Debt int. & amort.	321,745	207,349
Income tax	273,896	586,439
Subsid. pfd. divs.	33,320	33,320
Net profit	524,649	2,844,325
Less: Pref. divds.	34,066	......
Net avail. for common	490,583	2,844,325

Power Station Output Lower

British Columbia Is Only Area to Show Increase to June 30

MONTREAL.—Output of central electric stations in Canada in the first six months of the year, as reported by the Dominion Bureau of Statistics, reflects the lower level of business activity. Power output for period amounted to 12,715 million kw.h., compared with 13,756 million kw.h. in the same period last year.

British Columbia was the only economic area to record an increase, though returns for the Prairie Provinces were only slightly below last year. Ontario and Quebec were responsible for most of the decline.

In June, output totalled 1,973 million k.w.h., compared with 2,255 million kw.h. for the same month a year ago. This month all economic areas, with the exception of the Prairies, recorded a decrease.

Comparative figures showing the output of the economic areas in June and in the first six months of 1938 and 1937 follow:

Production
(Thousands of kilowatt hours)

	1938	1937
June:		
Maritimes	74,077	78,761
Quebec	1,018,961	1,145,671
Ontario	585,129	730,559
Prairies	146,563	146,090
B. C.	148,425	154,257
Total	1,973,155	2,255,338
Six months ended June:		
Maritimes	417,320	466,652
Quebec	6,677,990	7,244,877
Ontario	3,656,848	4,225,469
Prairies	1,014,223	1,017,314
B. C.	948,658	801,920
Total	12,715,132	13,756,132

Exports to the United States during June amounted to 158,314,000 kw.h., as against 158,657,000 kw.h. last year. For the first half of the year exports totalled 873,939,000 kw.h., compared with 929,617,000 kw.h. a year ago.

Deliveries of secondary power to electric boilers dropped from 600,398,000 kw.h. to 356,864,000 kw.h. in June. Deliveries to electric boilers in the six months ended June 30 amounted to 2,847 million kw.h as against 3,948 million kwh. a year ago.

Consumption of firm power in Canada during June was 1,814 million kw.h., a decrease of 282 million kw.h., from the corresponding month last year. During the first six months there was a reduction in firm power consumption of 982 million kw.h. to 11,814 kw.h.

Comparative figures on the consumption of firm power follow:

Consumption
(Thousands of kilowatt hours)

	1938	1937
June:		
Maritimes	72,917	77,919
Quebec	789,703	980,495
Ontario	657,336	738,012
Prairies	148,136	147,549
B. C.	146,749	152,706
Total	1,814,841	2,096,681
Six months ended June:		
Maritimes	409,283	458,588
Quebec	5,231,455	6,025,988
Ontario	4,238,246	4,523,213
Prairies	1,022,995	1,026,327
B. C.	939,281	792,410
Total	11,841,260	12,826,526

Transportation & Power Elects New Directors

MONTREAL. — Stockholders of Transportation & Power Co. at a meeting here elected the following directors: Ovide Peloquin, George Demers, Z. Roberge, E. H. Lanctot and A. N. Doyan. The shareholders' meeting, the first in four years, was held at the order of the Superior Court.

"I hereby appoint"

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THE ROYAL TRUST COMPANY

Steel May Set Pace in Canada

(Continued from page 1)

ores from the United States and Newfoundland. These are not only higher in total iron content but also may be charged directly into the furnaces.

Chiefly for this reason, Canada's steel mills and blast furnaces have been located at points of easy access to the two sources of imported ore. In Ontario they are situated along the Great Lakes where ores from Michigan and Minnesota can be obtained with a minimum of cheap transportation by water.

In Nova Scotia, the mills at Sydney are a comparatively short distance from the ore mines on Bell Island, Newfoundland. Transportation here, as in Ontario, is by water. The Wabana Mine on Bell Island, controlled by Dominion Steel & Coal Corp. owns one of the largest deposits of hematite known.

In both Ontario and Nova Scotia, of course, access to water for cooling blast furnaces, etc., is an important factor in location of plants.

Raw Material Source

It is very desirable that the industry should have complete control of the source of raw material or should have secondary sources developed and available. Recognizing the importance of this factor, the Ontario Government has, from time to time, offered bonuses or subsidies to producers of domestic iron ore.

About the time the first bonus was offered, however, the price of iron ore in the United States began to decline, rendering the subsidy ineffective. In the period 1920 to the present, for example, the price of Lake Superior iron ore at Lake Erie dock has declined from $7.45 per ton to $4.80.

The chief reason for this decline was the disintegration of the industry following the Armistice. Since then a process of consolidation has been going on in the United States which is practically completed. Should iron ore prices be raised in the United States, Canada may seriously begin to develop domestic sources of iron ore.

The total potential iron ore resources in Canada are estimated at around 400,000,000 tons, with about 92% of this total in Ontario. In addition, large tonnages are believed to exist in the Hudson's Bay and Ungava Regions although no estimates have been made as to the probable amounts.

Control Concentrated

Modern steel production requires large-scale manufacture to obtain the maximum efficiency and the lowest costs. Because of this, and also the fact that aggregate consumption of steel in Canada is not large, the industry is necessarily concentrated into the hands of a relatively small number of producers. Three companies control practically the entire production of pig iron and steel ingots, namely Algoma Steel Corporation, Dominion Steel & Coal Corporation and Steel Company of Canada.

The total estimated capacity of the Dominion is 1,500,000 long tons of pig iron, and 1,800,000 long tons of steel ingots and castings annually. Against this potential supply, total demand for steel for domestic consumption and export reached a peak of around 3,000,000 tons in 1929, declined to a low of 750,000 tons in 1932, and in 1937 had risen to around 2,100,000 tons. A large part of this total demand has, of course, been met by imports. Actual domestic production has never reached the potential capacity although 1937 production was just under practical capacity.

Total Canadian Steel Demand
(In 000's of long tons)

	Domestic Prod'n	Imports	Total
1927	908	1,232	2,140
1928	1,234	1,587	2,821
1929	1,378	1,789	3,167
1930	1,009	1,287	2,296
1931	672	737	1,409
1932	339	412	751
1933	410	378	788
1934	758	526	1,284
1935	942	655	1,597
1936	1,116	665	1,781
1937	1,401	700	2,201

Total demand for steel ingots during the 11-year period was 20.2 million tons, or approximately 1.8 million tons per year.

As an indicator of future domestic production of steel, of course, this mathematical average ignores two very important factors. First, the long-term industrial growth of the country as shown on the chart cannot be measured in terms of an average of past production. Secondly, the increasing proportion of domestic production represented in total steel consumption requires consideration.

The importance of the decreasing trend of imports relative to domestic production is indicated by analysis which shows that the percentage of total consumption supplied by domestic production rose from 42 in 1927 to 52 in 1933. It jumped to 66.7 last year.

This trend has been a direct result of the broadening-out by Canadian manufacturers of finished steel goods under the protection of tariffs. A large proportion of goods presently imported cannot as yet be made in Canada, principally heavy structural shapes and plates, skelp, large diameter pipe, etc.

Growth in Demand

As long as the demand for individual items does not warrant the necessarily large expenditure on plant and equipment to permit its manufacture in Canada it naturally pays to import the product. As domestic demand increases, however, a point is reached at which Canadian manufacturers find it profitable to expand their productive facilities to include the product.

On top of the increasing domestic production as a result of the larger proportion of total steel consumption being met by domestic producers, the total steel consumption itself will be rising with the long-term industrial growth of the country.

In other words, Canadian steel companies will be getting a growing proportion of a growing total.

To determine the effect of long-term growth on steel demand, exports must be eliminated from the picture since there is no direct relation between the growth of the country and the relative proportion of exports.

Net Canadian Steel Consumption
(in 000's of long tons)

	*Total Cons.	Exports	*Net Cons.
1927	2,140	166	1,980
1928	2,821	153	2,668
1929	3,167	218	2,949
1930	2,296	101	2,195
1931	1,409	52	1,357
1932	751	32	719
1933	788	216	572
1934	1,284	230	1,054
1935	1,597	312	1,285
1936	1,781	505	1,276

* Including imports.

Total net consumption during the 10-year period is 16,055,000 tons, or an average of 1,605,000 annually, representing the average yearly net consumption of steel in Canada. By reference to the chart it will be seen that the long-term industrial growth of Canada is at the rate of 3.3 points per year. With almost perfect correlation, this would be translated into an increase of between 45,000 and 50,000 tons annually in net steel consumption in Canada.

It is an important fact, however, that exports, particularly to Great Britain, have been increasing sharply over the past few years largely as a result of the armament programmes in Britain and other European countries. This should be a growing factor over the short term, although over the long term exports will probably average about the same as for the period 1927-1936, or about 200,000 tons per year.

Exports also figure in the near-term outlook for Canadian steel. This is governed by the outlook for the chief steel consumers—building and construction, railroads, automobile, machinery and engineering, and exports.

The building and construction industry made considerable headway between 1933 and 1937, but its recovery still shows a definite lag. General recovery, coupled with any stimulation to residential building, will be sustaining influences in steel production.

Railroads were, prior to the depression, very large consumers of steel, absorbing as much as 35% of the total steel consumed within the Dominion. The depression, however, changed the picture. New and replacement requirements in equipment and rolling stock were kept to a minimum.

Last year both roads embarked on a spending programme to bring present equipment up to date, purchase new rolling stock and generally renovate their systems to meet the demands of passengers and shippers. The net effect of this buying is to pile the demand of 10 years into 5 years so that over the next three or four years a fairly large volume of steel will be required by the manufacturers of railroad equipment.

Automobile Industry

The automobile industry is a large and growing steel consumer. During the present "recession" in the United States, automobile sales in Canada have held up much better than below the line.

An important factor contributing to this showing is that new car sales in Canada increased at a much more moderate rate during the 1933-1937 recovery period. Thus, proportionately there is a much greater demand for replacement in Canada.

Industrial machinery will follow the growth of factory construction. Agricultural machinery and steel products sold to the rural population, such as barbed wire, is dependent on farm income. This is, naturally, an unpredictable variable except over very short periods. Present indications, for example, are that grain crops will be much greater this year than last and, generally speaking, a substantial increase in total farm income should result which would be reflected in the sales of agricultural machinery companies.

The mining industry, particularly the gold mining section, has been forging steadily ahead through the past few years. This has created a large demand for all types of mining machinery, hoists, crushers, mills, etc. This trend gives every indication of continuing in the future, and while the substantial percentage gains of the past may not be made, the aggregate gains will still be very large and should be an important contributor to the demand for steel.

The chemical industry with its demand for corrosion-resistant alloys is a growing and prospectively important consumer of steel.

Thus, there is a strong presumption in favor of maintenance of the current high rate of operations in the steel industry, with the weight of probability on the side of increasing production over the near term.

Prices in the industry are satisfactory. Over the long term the trend has been toward declining prices as a natural corollary to technological improvement, which has made exceptionally rapid strides in the steel industry as compared with most industries. The lower per-unit costs accompanying the technical advances, however, are sufficient to maintain adequate profit margins. In particular, the Canadian steel industry has been noticeably free of the drastic price-cutting that has sometimes taken place in the United States markets.

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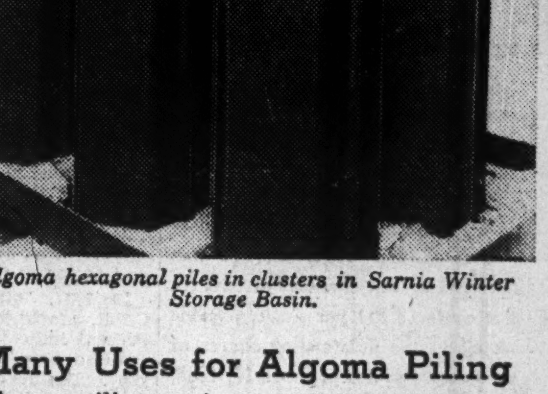
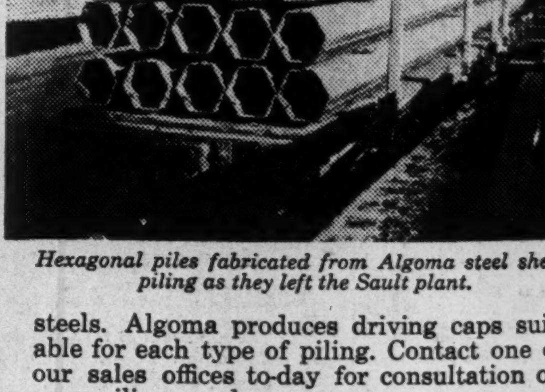


Algoma hexagonal piles in clusters in Sarnia Winter Storage Basin.



Hexagonal piles fabricated from Algoma steel sheet piling as they left the Sault plant.

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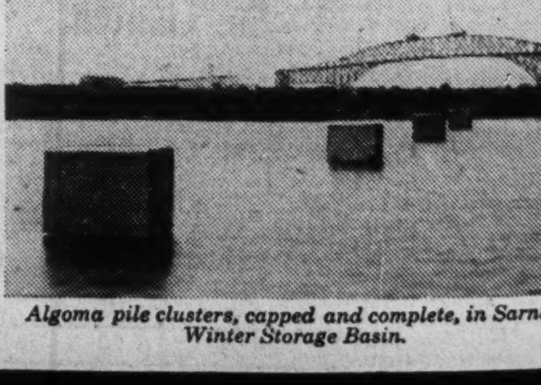

Algoma pile clusters, capped and complete, in Sarnia Winter Storage Basin.

ALGOMA STEEL

Banking

Bank Loans in June Show Moderate Rise

The use of bank credit in Canada increased during the month of June, according to the monthly return of the Canadian chartered banks to the Minister of Finance. Total loans at $990.7 millions were $25.4 millions above those for the preceding month and $21.9 millions more than the total for June, 1937. Gains were shown in both call and current loans. In the previous month a decline of $4.7 millions was shown.

The showing is encouraging also in comparison with that of last year when the total of loans in June was not quite maintained as compared with that in May. It reflects the strengthening that has taken place in business circles generally owing largely to the improved crop situation in the West.

Of the total gain, $16.8 millions was in current loans while call loans were up by $3.6 millions, the balance of the changes being due to expansion in loans to municipalities and provinces.

Savings deposits at $1,220.8 millions were slightly lower than the $1,625.4 millions shown in the previous month. They were substantially above the $1,569.8 at the end of June, 1937, however.

The decline in savings deposits is an indication of increased spending, due probably to the holiday season and the usual increase in buying which takes place in the month of June. Demand deposits at $689.9 millions were higher than those of May at $669.9 millions.

Banks are still, however, well supplied with surplus funds. Investments were higher by some $12.7 millions in June compared with May, and were up by $20.1 millions from June, 1937. Demand deposit at $689.2 were higher than those of May at $669.9.

Summary of statement issued by the finance department with comparative figures follows:

	June 30, 1938	May 31, 1938	June 30, 1937
Reserve fund	$ 133,750,000	$ 133,750,000	$ 133,750,000
Note circulation	103,925,690	97,298,721	112,992,378
Demand deposits	689,941,578	669,938,337	713,177,394
Notice deposits	1,620,819,977	1,625,497,864	1,569,815,485
Deposits outside Canada	409,569,736	404,306,127	425,279,262
Bank of Canada notes	46,080,853	52,185,613	43,418,059
Deposits with Bank of Canada	195,446,590	189,120,979	189,835,653
Government and other securities	1,462,137,869	1,449,397,932	1,441,959,495
Call loans in Canada	69,381,551	65,706,387	116,126,876
Call loans elsewhere	53,210,149	57,891,739	70,484,846
Current loans in Canada	785,974,554	769,128,651	728,290,407
Current loans elsewhere	181,339,505	162,344,283	158,661,756
Total liabilities	3,386,052,206	3,319,842,992	3,346,516,419
Total assets	3,398,538,862	3,331,522,666	3,358,508,958

Use of Bank Credit in Canada
(In millions of dollars)

	June, 1938	May, 1938	Change	June, 1937	Change
Loans	990.7	965.3	+25.4	968.8	+21.9
Investments	1,462.1	1,449.4	+12.7	1,442.0	+20.1
	2,452.8	2,414.7	+38.1	2,410.8	+42.0
Deposits	2,310.7	2,295.4	+15.3	2,263.0	+47.7

Bank Chat

In recognition of 22 years service as treasurer of the Ottawa Canadian Club, C. A. Gray, manager of the Royal Bank of Canada in that city, was recently honored with a presentation. Reference was made to the work done by Mr. Gray in helping on the work of the club during his long period of service as treasurer.

* * *

Interesting demonstration of how banks close in Alberta comes with the announcement of the Bank of Montreal that it is opening a sub-branch at Bawlf, connected with the branch at Daysland. It is only a week or so since the Bank of Commerce closed its branch at Bawlf. Now, it is believed, Montreal will open its sub-branch in the former Commerce quarters.

The quid pro quo on this deal was a precisely similar shuffle in which the Bank of Montreal closed its branch at Mannville and the Commerce opened a sub-branch there, connected with the branch at Vermillion.

In both Mannville and Bawlf, the sub-branches are probably a result of the mass appeals of the citizens in each town that they be not deprived of bank services. More than 800 Mannville residents signed a petition; telegrams were sent to Ottawa and the bank head office.

No announcement has as yet been made about closing the Montreal's branch at Westlock, but already a petition against such action is circulating.

* * *

There were alarms and excursions around the main branch of the Royal Bank at Ottawa recently when a five-year-old boy appeared flourishing a .45 revolver.

The employees, recognizing the weapon as the bank's own loaded revolver, hurriedly ducked for cover as the child waved it in their direction.

The situation was eased somewhat as Manager Russell Watson quickly caught the lad and relieved him of his dangerous toy. The child had accompanied his father to the bank and had wandered unnoticed into the manager's empty office where he found the gun.

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The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

Bank Debts Up in June

Gain 11.5% Over May But 5.6% Below June 1937

Canadian business in June, 1938, showed an increase of 11.5% from the preceding month, according to the statement of bank debits issued by the Dominion Bureau of Statistics. The report for the month shows that during June payments by cheque at the 32 clearing house centres in Canada totalled $2,730 millions against $2,461 millions in the preceding month. Compared with June, 1937, the dollar volume of business was down by 5.6%.

Gains during June as compared with the month of May occurred in each of the three eastern areas. Of these, the Maritime Provinces showed an increase of 11%. Gains of 12% over the preceding month were shown by Montreal and the Province of Quebec.

In Toronto, the gain in June over May was 26.5%, while Ontario as a whole increased by 19%.

The total for the Prairie Provinces was down by 6% which was a relatively better showing than that for Winnipeg, in which a decrease of nearly 14% was recorded. Vancouver had a gain of .9%, while the total for British Columbia was slightly lower.

For the half yearly period bank debits at the 32 clearing house centres showed a decline of almost 20% from the same period of the preceding year. These declines were scattered right across the Dominion in each of the economic areas. The decline in the Maritimes and Quebec was 17.6% and 20.9% respectively. In Ontario, the drop was 19%. The Prairie Provinces were down by almost 22% and British Columbia by 16.4%.

Debits to Individual Accounts
(In millions of dollars)

Maritimes			
Halifax	27.9	26.2	31.7
Moncton	10.3	9.2	10.1
Saint John	17.0	17.8	17.1
Total	55.3	53.2	58.9
Quebec			
Montreal	835.9	742.0	803.5
Quebec	62.3	52.4	71.4
Sherbrooke	7.7	6.8	7.5
Total	905.9	801.2	882.4
Ontario			
Brantford	9.7	9.5	10.2
Chatham	8.3	7.6	8.3
Ft. William	5.7	5.4	5.7
Hamilton	54.8	50.8	55.2
Kingston	5.9	6.1	6.7
Kitchener	11.2	12.4	11.5
London	43.9	32.5	36.4
Ottawa	102.9	134.4	108.2
Peterboro	6.1	5.9	9.1
Sarnia	6.6	5.9	7.3
Sudbury	7.1	7.5	7.3
Toronto	999.8	801.4	1,073.9
Windsor	41.3	36.0	41.3
Total	1,303.4	1,115.6	1,381.3
Prairies			
Brandon	2.8	2.8	2.4
Calgary	48.1	44.7	54.0
Edmonton	35.3	36.7	33.7
Lethbridge	3.9	3.9	3.6
Medicine H.	1.9	1.9	1.9
Moose Jaw	5.9	5.1	5.3
Pr. Albert	2.2	2.1	2.6
Regina	38.1	38.2	35.6
Saskatoon	9.0	9.4	10.4
Winnipeg	164.3	199.6	143.7
Total	311.9	344.4	393.4
B. C.			
New West.	6.5	6.0	6.4
Vancouver	118.6	116.5	137.7
Victoria	28.9	24.8	31.5
Total	154.1	147.4	175.7
Total for Canada	2,730.6	2,461.8	2,891.9

Bank of Canada Weekly Statement

Deposits of the Dominion Government with the Bank of Canada increased by $2.5 millions during the week ended July 27, 1938, according to the weekly statement of that institution. This was the principal charge among the liabilities.

On the credit side of the ledger, holdings of securities other than Canadian were down by $1,007,039 to nil.

Apart from these the changes shown in the statement were of minor importance.

Balance Sheet

Liabilities	July 27 1938 $	July 20 1938 $
Capital paid-up	10,100,000	10,100,000
Notes in circ.	155,742,515	156,534,272
Rest fund	1,348,414	1,348,414
Depos.: Dominion	15,862,196	13,343,017
Banks	193,610,130	193,823,785
Other	2,079,051	1,931,196
Total deposits	211,551,377	209,097,998
All other liabs.	1,914,424	2,217,483
Total liabs.	380,656,730	379,298,167
Assets		
Reserve: Gold	180,409,608	180,508,301
Res. in sterling and U. S.	26,765,740	26,121,308
Other curr.	1,050	1,050
Total reserve	207,176,398	206,630,659
Subsidiary coin	316,487	325,502
Investments:		
Dom. govt. short	115,467,382	114,471,840
Other Dom. govt.	52,625,234	52,684,649
Other secs.	....	1,007,039
Total invest.	168,092,616	168,163,528
Premises	1,656,557	1,653,977
All other assets	3,414,672	2,524,501
	380,656,730	379,298,167
Reserve ratio	56.40%	56.51%

Weekly Bank Clearings

	July 28 1938 $	Change year ago %	July 21 1938 $
Halifax	2,407,695	+ 0.2	2,737,540
Saint John	1,554,709	—22.1	2,003,417
Moncton	720,816	— 4.3	872,088
Sherbrooke	642,108	— 0.7	700,104
Quebec	3,912,881	— 9.4	5,430,007
Montreal	104,236,287	+12.2	104,120,761
Ottawa	13,386,918	— 0.5	13,846,769
Peterborough	529,127	— 3.0	631,314
Toronto	98,713,599	+ 1.6	100,104,310
Hamilton	5,350,690	+13.2	5,163,229
Kitchener	972,840	— 0.3	1,103,914
Brantford	763,530	— 9.0	919,034
London	2,515,063	+12.4	2,588,189
Chatham	482,755	+ 1.9	471,112
Sarnia	477,302	+17.6	551,365
Sudbury	1,131,105	+12.5	974,283
Fort William	693,470	+ 0.1	866,825
Winnipeg	23,728,823	—29.4	24,001,836
Calgary	4,042,810	—14.1	4,641,351
Brandon	296,384	+27.7	382,215
Regina	2,942,797	— 0.8	3,082,490
Moose Jaw	492,446	— 7.1	573,382
Saskatoon	1,064,560	—13.2	1,141,367
Prince Albert	286,308	— 4.8	321,284
Edmonton	3,222,064	— 3.5	3,910,993
Medicine Hat	156,837	—29.6	267,499
Lethbridge	395,747	— 9.9	425,051
N. W'minster	664,659	+ 3.3	618,449
Vancouver	15,849,404	— 8.0	16,532,266
Victoria	1,623,531	— 1.4	1,740,144

Staff Changes

The Royal Bank of Canada announces the following staff changes:

D. S. CROSBY, formerly manager at Halifax, Gottingen St., to Dartmouth, N.S., as manager.

S. E. KYTE, formerly manager at Halifax, Morris & Barrington, to Halifax, Gottingen St., N.S., as manager.

F. W. SCHAEFER, appointed manager at Halifax, Morris & Barrington, N.S.

C. V. SNOW, formerly accountant, Charlottetown, P.E.I., to Bear River, N.S., as manager.

C. N. EARLE, formerly assistant accountant, Halifax, N.S., to Charlottetown, P.E.I., as accountant.

R. S. GATES, of Darmouth, N.S., retires on pension.

Insurance Notes

M. E. McCallum representative of the Sun Life Assurance Company of Canada at London, Ontario, led the entire agency force in production for the year 1937-38. Mr. McCallum has been appointed divisional vice-president of the Macaulay Club, the highest honor of the Sun Life for its top ranking agency producers. W. J. Pocock, also of London, is named territorial vice-president of the club as also are G. C. Cumming of Vancouver, F. R. C. MacDonald, Halifax and T. Willard Mace of the Montreal Mansfield branch. A. L. Geyelin, Philadelphia representative of the Sun Life, is president of the club. Mr. Geyelin in the year just closed led the entire agency force in paid production. Max Moch of the Canton, Ohio, branch ranked second. Mr. Moch assumes the title of club vice-president-at-large.

* * *

The Excel Club of the Excelsior Life Insurance Company, Toronto, held its 1938 convention on the Duchess of Athol on her cruise from Montreal to New York, July 16 to 20. The unique form of the convention resulted in the largest qualification of representatives in the history of the company. President Alex. Fasken addressed a few words of welcome to those in attendance. Manager of Agencies T. O. Cox was in the chair and short addresses were made by M. I. Brock, London office; J. Bouchard, Montreal North; Georges Piquette, Montreal North; E. S. Mann, Vancouver and J. H. Golding, Saint John, N.B. A feature of the convention was the presentation to T. O. Cox, by George Nichol, manager of the Toronto branch, of an enlarged specially processed photograph of himself.

* * *

Hull Fire Department has been awarded a certificate for the best activity by any fire department in Canada during Fire Prevention Week. The award was made at a luncheon of the Dominion Fire Prevention Association in the Chateau Laurier at Ottawa. Presentation was made by E. W. Fowler of the National Board of Fire Underwriters, New York, and accepted by Mayor Moussette of Hull. Emile Bond, director of fire services, and Henri Gauthier, chairman of the fire committee of Hull City Council. The award was a certificate from the National Fire Protection Association.

* * *

Recovery of part of a claim paid 139 years ago by Lloyd's was reported in cables from Amsterdam recently. A gold bar 9 inches long and 2½ inches wide was recovered from the British Frigate Lutine, wrecked in 1799 at the entrance to the Zuider Zee. The frigate carried a treasure of silver and gold estimated to be worth about $10,000,000 and Lloyd's paid the insurance. They were granted a license in May, 1933, for salvage operations. A few Spanish coins have been brought to the surface but this is the first time bar gold has been salvaged.

* * *

Fire insurance rates would be much lower if it were not for the arson fires, according to Professor Joslyn Rogers, Ontario provincial analyst. Mr. Rogers was speaking at a luncheon meeting of the Rotary Club in Toronto. If petty arson could be stamped out, insurance rates could be reduced to 60% of what they are at present, Professor Rogers stated.

* * *

Organization of a farm mutual fire insurance company is being considered by a number of representative farmers in Westmorland and Albert counties in New Brunswick. Two meetings have been held and at the first of these E. B. MacLatchey, superintendent of insurance, Fredericton, explained the Farm Mutual Insurance Act and details connected with organization under the Act. Subscription books have been placed in the hands of persons in various parts of the two counties and canvassing for policies is to start immediately.

When the necessary steps have been taken a board of directors will be appointed to consider application for formation of the company and the appointment of other officers. The next meeting will probably be called toward the latter part of August.

* * *

Hail insurance, taken out in the Province of Alberta under the recently organized Alberta Hail Insurance Board, amounted to $4,630,415, covering an area of 1,016,505 acres in various parts of the province, according to an announcement made by Hon. Solon Low, provincial treasurer. The Minister stated that rates for hail insurance ranged from 5% to 12%. The new board was appointed recently following the passing by the Legislature of a new Hail Insurance Act.

* * *

Under a judgment by Mr. Justice Adamson of the court of Kng's Bench at Winnipeg, the Equitable Life Assurance Society of the United States was ordered to pay $5,597 and costs to Donald H. Baird and his mother as executors of the estate of the late C. H. Baird of Winnipeg. The award was made in connection with a life policy containing a disability clause which entitled the holder to a yearly income if he became totally disabled. Baird became totally disabled in February, 1931, and remained so until his death Feb. 5, 1938. Meantime the policy had been mislaid and was not discovered until August, 1937. Baird then applied for disability benefits for the whole period from February, 1931. The Society claimed that payment should be made only for the period from the date of notification. The court ruled that payment should be made for the whole period of the disability.

* * *

Well known in life insurance circles in London, Ont., E. R. Corbett died last week at Victoria Hospital in that city. He was a son of the late Mr. and Mrs. John Corbett and had been active as a life underwriter.

Insurance Licenses

The Dominion Department of Insurance has issued certificates of registry to the following companies for the classes of insurance noted, in addition to the lines for which they have already been registered:

Phoenix Assurance Company Limited—Fire, life, accident, insurance against loss of or damage to an aircraft, automobile, burglary, earthquake, explosion, guarantee, limited hail, inland transportation, plate glass, insurance against damage to or loss of real or personal property, sickness, sprinkler leakage, tornado, and in addition thereto falling aircraft insurance, and insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

Sun Insurance Office Limited—Weather, insurance against loss of or damage to property caused by horses or cattle, limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

American Exchange Underwriters—Falling aircraft, hail, limited or inherent explosion, civil commotion, tornado, and insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the exchange.

General Casualty Company of America—Burglary, insurance against bodily injury and death by accident; and insurance against liability for loss or damage from accident to employees or other persons.

Lutheran Mutual Life Insurance Company—Life insurance and disability insurance, in respect of policies issued by the Lutheran Mutual Aid Society prior to Jan 1, 1938. John Popp, Winnipeg, has been appointed Canadian chief agent.

Monthly Bank Clearings

	July 1937 $	July 1938 $
Quebec	22,636,267	22,076,913
Montreal	483,669,377	463,394,237
Peterborough	2,859,926	2,721,646
Toronto	490,739,303	450,774,852
Hamilton	23,887,248	22,109,312
Saint John	8,931,471	8,138,210
Moncton	3,389,160	3,214,644
Sherbrooke	3,176,660	3,090,658
Ottawa	79,054,707	79,926,950
Kitchener	4,713,938	4,609,925
Brantford	4,432,668	3,910,297
London	12,115,198	11,548,056
Chatham	2,296,499	2,257,987
Sudbury	4,328,351	4,552,973
Fort William	3,416,497	3,224,765
Winnipeg	165,010,015	106,054,485
Brandon	1,416,561	1,541,542
Regina	16,305,954	13,848,143
Moose Jaw	2,662,327	2,338,547
Prince Albert	1,548,466	1,308,339
Edmonton	16,957,821	15,743,091
Calgary	23,494,271	18,706,176
Lethbridge	1,938,853	1,839,351
New Westminster	3,133,070	2,736,881
Vancouver	80,490,183	71,368,604
Victoria	8,137,226	7,592,720

Insurance Problems

Protection from Weather

The other day I had a visit from an insurance salesman trying to sell me weather insurance. Do you think there is much need of insurance of this kind in Ontario? It is so seldom we have any damage from weather here.

Recent events in Ontario must have answered your question quite clearly. Within the past 10 days this province has been visited by a number of storms, each of which has left in its wake considerable damage.

For instance the daily papers of July 29 carried the following details of damage from storm:

Four cars completely demolished and several others damaged when the roof of the Benson Hotel at Lindsay was torn away and deposited in the street.

Water pressure on one of the streets in the same town was so great that a section of the pavement caved in, carrying with it a huge truck.

In addition to the roof of the hotel noted above a number of other roofs were damaged, or torn off.

After the roofs were torn off water poured into the damaged structures, causing much damage to furniture and equipment.

Elsewhere in Ontario hundreds of cellars were flooded, with much damage being done to contents therein.

Plate glass windows were broken by lightning.

Crops were levelled by hail, wind and rain in areas near Lindsay, Peterborough, Barrie, Midland and at some points in southern Ontario.

This storm is not an isolated case. Every year there is considerable damage from weather conditions. It does not always happen in the same district but it happens none the less.

There are numbers of policies which would have provided insurance against loss from rain water and wind.

Hail, plate glass and tornado insurance are specially listed as lines under which protection may be had.

It is true that damage from weather is not as common in Canada as it is in some other countries. It does occur, however, and not infrequently.

Comprehensive policies are available, covering a variety of hazards.

In the case of weather as in many other risks it is better to have insurance and not need it than to need insurance and not have it.

When Tax Payers Turned

(Continued from page 1)

if there was any conceivable reason to issue new bonds, they would all say no," Mr. Pierpoint told me.

Blondes and Bonds

I gave up when the first six were unanimous. Even a blonde at the hotel news stand seemed to know all the answers why the city didn't want any more bonds.

Douglas County, in which Omaha is located, is still operating in the red, and the county commissioners got tired of paying the legal 6% interest on its million-dollar deficit. They thought it would be good business to float a bond issue, capitalize the deficit and cut the interest rate.

The voters said no—almost unanimously.

"If they had got away with that," a drug clerk said, "they would just have run up another deficit. We didn't let them. They'll have to pay it off a little each year and it will teach them a lesson."

The county commissioners get scant sympathy even though it is the county units that foot the relief bill in Nebraska and there are a lot of people on relief in the industrial area of Omaha.

The county government is still on the blacklist and every month over the radio and in the newspapers the association of taxpayers publishes a comparative statement of their budget position.

Even a casual visitor would feel safe in the prediction that Douglas County will soon be out of the red.

People Debt Conscious

This business of making it necessary to consult the people before debt is undertaken, is a very important plank in the economy policy, said Mr. Pierpoint:

"We have taught the voters that a bond issue is more than a mortgage on the city hall, on the city waterworks. It is definitely a mortgage on their own homes. So we ask them if they want a new city stadium enough to mortgage their homes for it."

Mr. Pierpoint shook his head sadly when told that in Canada city councils got around the need to vote on a bond issue by asking the Legislature to pass a private bill.

"If you tried consulting the people you might not have so many bond issues," he said.

When it was first formed the Omaha Association adopted a simple statement of policy:

1. To aid in the preservation of the necessary processes of government in an orderly manner.

2. To cause the reduction of public expenditures to a level within the reasonable financial capacity of the citizens, to the end that there might be the needed even flow of tax payments for the proper functioning of government.

Mr. Pierpoint stressed the fact that the association adopted a constructive attitude toward public officials.

Instead of making general charges of extravagance it made a general study of the situation and decided where savings could be made without lessening government efficiency.

Three Way Campaign

With their material ready the campaign started on the platform, in the press and on the radio. Soon the citizens were thinking up ways of aiding the drive for economy. Instead of asking for more parks, they thought of ways to cut taxes.

Toronto, Montreal, Winnipeg—all Canada's cities, complain that taxation goes up regardless of falling property values.

In Nebraska, where a state wide property tax is collected, the assessment rises and falls equally over the whole state.

I asked Mr. Pierpoint how much they cut the tax rate. He answered by pointing to the assessment reduced 30% without any increase in the tax rate. The assessment is made every two years and is actually considered a fair interpretation of property values.

Civic Salaries Cut

One of the first results of the economy drive was a cut in civic salaries.

"You let the pressure work the wrong way," Mr. Pierpoint said when I told him that it was considered political suicide to interfere with city hall salaries in most Canadian cities. "The taxpayers have a right to organize too," he added. "Why not try to make extravagance politically dangerous?"

Apparently all that is asked of Omaha's civic government is that it keep within its budget without increasing taxes, and progressively reduce debt.

As the Omaha taxpayers swept along in their lusty campaign against high taxes, they found that city and county and state taxes were closely related and that if their campaign was to be a real success that it would have to take in all tax collecting bodies.

In the city the campaign resulted in Finance Commissioner Dan B. Butler being taken from his office and elected mayor. The voters realized that an executive type of administration was needed.

In the same way, as I mentioned in a previous article, State Engineer Cochran became governor of Nebraska. Throughout Nebraska the unbelievable was happening. The businessman was being elected to office.

Campaign Broadened

As the campaign broadened, the Omaha Association and the growing number of county associations, carried their economy programme to the Legislature. Legislation to make tax collection easier was passed. Steps to cut down arrears were taken. Public employees found their taxes deducted from their pay cheques if they didn't pay within 90 days. This last measure has added $250,000 to the annual revenue.

The new governor worked closely with the association. He coined the slogan: No new forms of Taxes for Nebraska, and he has carried it out. There is the closest friendship between the governor and the militant tax cutting bodies.

Mr. Pierpoint feels the campaign of the awakened taxpayers has been a success but he is determined that it be kept up.

So the association's auditor continues to call at all the tax-spending departments with the demand that he see the books. The association publishes the figures, keeps the taxpayers informed of the exact position of public finance.

And since the taxpayers took to non-party politics, tax reductions in Nebraska have totalled $139 millions.

"What is there in the way of government services that could have been rendered to Nebraska that is worth as much to the taxpayers as this $139 millions honestly earned and honestly served?" Tax Crusader Arnold asks.

That is the challenge of the tax leaguers to critics of economy, to those who say governments have become too stingy.

The money, they point out, has been left with the voters to create new business, new purchasing power and social security as each man sees his own needs.

NOTICE

NOTICE is hereby given that the Dominion Insurance Department has granted Certificate of Registry No. C-627 authorizing American Exchange Underwriters to transact in Canada the business of falling aircraft, hail, limited or inherent explosion, civil commotion, tornado insurance and insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company, in addition to the classes for which it is already registered.

V. W. GERRISH,
Chief Agent for Canada.

July 26, 1938.

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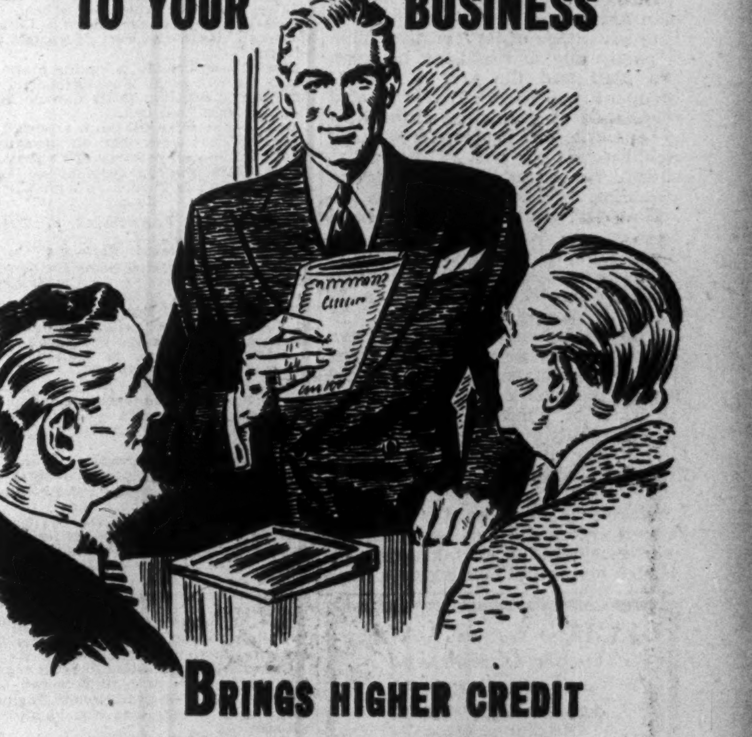

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Construction

New Construction Activity In Canada Is Accelerated

New building activity in Canada in July rebounded sharply from the slump in June and reached a level only fractionally below that of July, 1937.

Total of contracts awarded last month is computed by MacLean Building Reports at $21,158,200. This falls only 1.3% below the figure of $21,485,300 recorded in the same month a year ago. In June, the decrease in a similar comparison was 31%.

The cumulative total of contracts so far this year now stands at $101,813,400, compared with $131,861,100 at the end of July last year. This represents a decline of 22%, but narrows the lag in comparison with a month ago. Then the decrease to date was 26%.

Activity in Quebec was largely responsible for bolstering last month's total. In that province, contracts awarded included those for $1.2 million plant at Cap de la Madeleine for International Foils Ltd.; the monthly $1 million contract for St. Lawrence River dredging; a $600,000 sanatorium at Mont Joli; $500,000 normal school at Three Rivers, and $294,000 jail at Hull.

Construction World

Zoning

Recent survey by the National Association of Real Estate Boards shows that over one-third of American cities now have active movements under way for new or revised schemes of city planning and zoning. The percentage is 67% in cities of more than 500,000 population, and 50% for cities of more than 200,000.

In Canada, need for a wider application of coherent city planning, zoning and protection of residential areas, has been shown by reluctance of lending institutions to make loans under the National Housing Act in non-zoned smaller centres and even in certain sections of large cities. In his recent tour of British Columbia centres, F. W. Nicolls, housing director of the Department of Finance, stressed the need for municipal zoning if the Housing Act was to be effective in that province.

• • •

B. C. Leads

The campaign in B. C. to promote operations under the Housing Act and the Home Improvement Plan has produced substantial results. A recent tabulation by the Vancouver Province shows that, in proportion to population, volume of Housing Act loans in B. C. is higher than in any other province. The value of loans per capita in the different provinces to date is set as follows: British Columbia, $3.61; Nova Scotia, $3.07; Ontario, $2.67; Quebec, $1.82; Saskatchewan, $1.01; New Brunswick, 93 cents; Manitoba, 72 cents; P. E. I., 61 cents; Alberta, nil.

• • •

Pre-fabrication With Wood

Encouraged by orders for B. C. lumber for erection of several thousand houses under the housing scheme in Scotland, the west coast lumber industry is seeking to extend use of wood for houses in other markets, including the domestic. Exploration is being made of the possibility of standardizing lumber requirements for dwellings, especially in the low cost field, and developing a degree of pre-fabrication for large scale projects for construction of houses. Particular attention is being paid to market potentialities in South America and the West Indies.

• • •

Low Rental Housing

By all signs to date—or rather lack of them—it will be some time before definite results accrue from the Dominion Government's move to facilitate low-rental housing developments for small wage earners. This plan is the Government's cautious, experimental answer to the agitation for slum clearance and re-housing. Permitting low interest loans up to $30 millions to local housing authorities or limited dividend companies, the scheme should be distinguished from the associated provision for loans to assist financing of dwellings for owner-occupancy.

Thus far, the subsidized rental plan has brought no direct move to take advantage of its facilities. This is partly due to confusion between this plan and the aid to owner-occupant purchase. There is also reluctance of municipal authorities to embark on projects requiring public funds for part of the initial outlay, for annual rent reduction subsidies, for tax remission, etc.

However, preliminary moves have been made at several points. A Montreal syndicate is still trying to get civic co-operation for a limited dividend project to provide a $1 million housing development. In Winnipeg, civic authorities have called for drafting of sketch plans and cost estimates for a low-rental project to accommodate 150 families. Officials in Windsor are exploring the possibilities of the new legislation. Elsewhere there is almost complete inaction.

Experience in the United States indicates that even after definite moves are made and implementing machinery set up, it takes time to launch low rental housing on a basis similar to the Canadian plan. Legislation creating the United States Housing Authority was passed a year ago. It took nearly six months for an administrator to be appointed, and only recently was construction started of the first USHA project—the $34 millions Red Hook development in New York.

Nevertheless, the USHA operation as a whole, for which $800 millions in loans has been authorized, should gather increasing momentum from now on. To the end of July, Presidential approval had been given to loans totalling $155 millions for projects in 28 cities and $352 millions has been earmarked for developments in 95 other centres.

As under the Canadian plan, the American scheme allows for loans at low rates to local housing authorities, up to 90% of the cost of slum clearance and re-housing projects. Federal and local authorities are to set up, on a 5-to-1 basis, funds to absorb operating deficits and keep rents down. Whereas the Canadian loans are repayable in 35 years, the USHA loans run for 60 years.

Should USHA use up its entire $800 millions appropriation, it is estimated that modern, low rent housing accommodation for 200,000 families will be available. Similar accommodation for 22,000 families was provided by USHA's predecessor—housing division of the Public Works Administration — which built 51 large scale projects between 1933 and 1937.

New Building

A. Longo, Toronto builder, has started work on second part of $440,000 development in northwest section of city, calling for erection of 16 quadruplex dwellings. Project was financed under Dominion Housing Act.

John Inglis Co., Toronto, holder of contracts for production of machine guns for the Canadian and British governments, will shortly launch a $40,000 programme of additions and alterations to its plant.

St. Lawrence Alloys & Metals Ltd., Beauharnois, Que., has reportedly optioned additional property with a view to future extension of its ferro-silicon manufacturing plant. Company is controlled by British Electro Metallurgical Co., Sheffield, Eng.

Dominion Foundries & Steel Ltd., Hamilton, Ont., have awarded contracts for erection of $35,000 office and service building in connection with its tin plate mill and for installation of storm sewer on grounds of the plant.

Sisters of St. Joseph, North Bay, Ont., have awarded to **Anglin-Norcross Ontario Ltd.** contract for $250,000 girls' college at Lions' Park, west of North Bay.

British-American Oil Co. has purchased site at Sault Ste. Marie for proposed erection of three large storage tanks (capacity, 1.2 million gallons), loading platforms, warehouse, pump house, and improved docking facilities.

Samuel Lunnenfeld, Galt, Ont., is contemplating erection at Preston, Ont., of 25 houses in low cost field, to be priced at $3,000-$3,500.

Ottawa Collegiate Institute Board has awarded contracts for construction of $500,000 addition to Ottawa Technical School.

Montreal syndicate headed by Edward Goodeve, advertising man, has launched construction of a 45-room resort hotel at Ste. Adele, Que., as the first of a proposed series of similar developments.

Dominion Dept. of Public Works will likely call for tenders soon for construction of new Supreme Court Building at Ottawa, plans for which have been completed by the architect, Ernest Cormier, Montreal. Estimated cost of project is $2 millions.

Steel Co. of Canada is having plans prepared and will invite tenders soon for construction of addition to its Canada Works plant in Hamilton, Ont.

British-American Oil Co. is reported preparing to start work soon on construction of $1.4 million oil refinery at Calgary, and to be contemplating construction of 50-mile pipe line to Turner Valley oil field.

Reported by Engineering & Contract Record:

Canadian National Railways staff at Montreal has prepared plans for construction of a new railway station at Saskatoon, at estimated cost of $200,000.

Quebec Dept. of Public Works is having plans prepared for erection of $300,000 prison at Three Rivers. Contract for erection of new prison in Hull has been awarded at price of $294,000.

Guardian Trust Co., Montreal, awarded contract to the **Foundation Co. (Quebec) Ltd.** for addition and alterations to its office building on St. James Street. Estimated cost is $100,000.

Famous Players Canadian Corp., Toronto, is having plans drawn for $100,000 programme of alteration and extension of Empress Theatre, Edmonton.

S. W. Robb Co., Hamilton, propose buying 35 lots from city authorities of Galt as sites for houses. If complete programme is carried out, outlay of $85,000 to $100,000 would be involved. The same firm has carried on similar operations in the Hamilton district.

B. C. Electric Railway Co., Vancouver, is building electric shop and meter building at estimated cost of $50,000.

Canadian Broadcasting Corp. is considering construction of high powered broadcasting station on site between Regina and Saskatoon, at estimated cost of $250,000 to $300,000.

Amherst Distillers Ltd., Amherstburg, Ont., formerly Pioneer Distillers, is planning erection of $250,000 warehouse. The company is a subsidiary of Brewers & Distillers of Vancouver.

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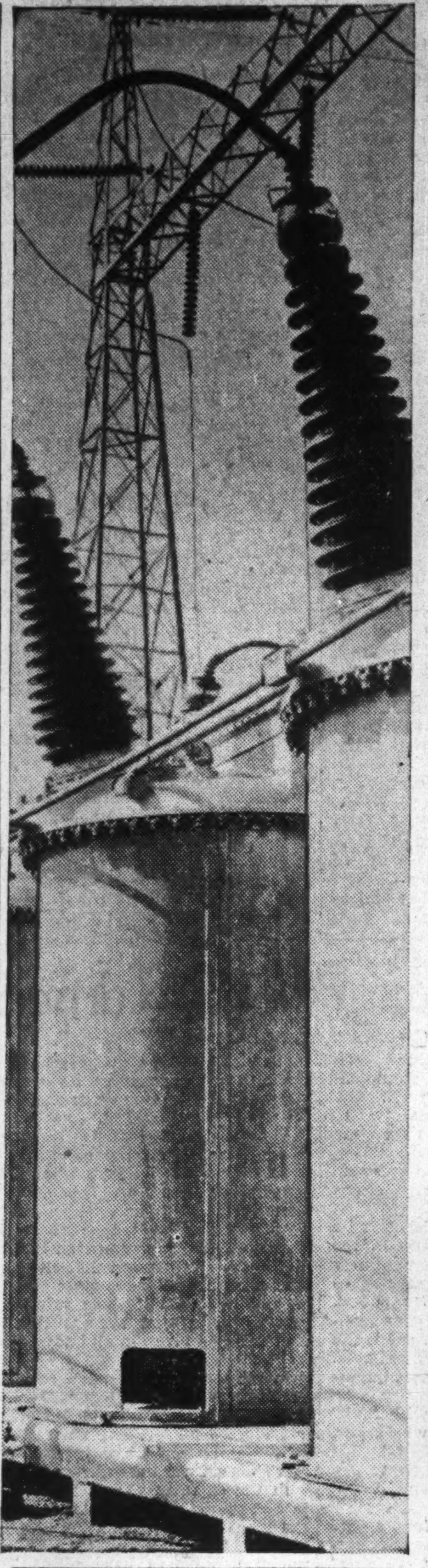

Pulp and Paper Industry

$18,000,000 Power Bill

Canada's largest power user is the pulp and paper industry. It provides by far the greatest individual market for the central electric stations, as it purchases more than 55% of all power sold for industrial purposes. Last year the pulp and paper industry took delivery of 12,000,000,000 kw.h. of electrical energy at a cost of $18,000,000. Over 7,300,000,000 kw.h. were used in the production of steam and the balance for motive power.

The enormous quantities of energy required by the industry may be better realized by saying that if the power sold to all other industries—mining, rubber, automobile, smelting and refining, etc.—was grouped together it would still be 22% less than that used in the manufacture of pulp and paper.

Development of the water power industry in this country to its present outstanding position is primarily due to the pulp and paper industry. Yet one is dependent upon the other, for low-priced power is essential to the operations and growth of the latter. Within the pulp and paper industry itself are hydraulic turbines with a rating of more than 605,000 h.p. However, this supply is wholly inadequate to meet requirements and the industry buys heavily from the central electric stations.

The fact that the industry uses power in such huge quantities makes possible the domestic use of electrical energy in Canada at a lower cost than any other country in the world.

This is No. 8 in a series of brief surveys of Canada's Pulp and Paper Industries.

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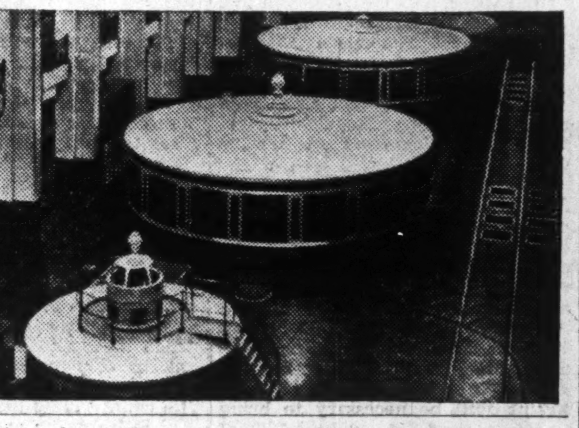

Donnacona Earnings Up

Higher Price Offsets Decrease in Newsprint Sales

From Our Own Correspondent

MONTREAL.—Despite a substantial crop in newsprint sales, earnings of Donnacona Paper Co. in the first six months of the year were ahead of the same period last year.

Details of profits for the period are not available, but earnings available for bond and bank interest increased. However, interest also increased.

The satisfactory showing of the company in the first six months is due to a number of factors. In the first place earnings of the newsprint division have been higher although sales have dropped. This is due to the increase of $7.50 in the price of newsprint.

Another factor has been maintenance of insulating board sales at the 1937 level. Prices have not been as satisfactory, but volume of sales in first half of the year was about the same as a year ago.

The company has also obtained profits on foreign exchange. This is due to the premium which has existed on sterling and U. S. funds, especially the latter.

The outlook for the insulating board division for the remainder of the year is regarded as favorable. An impetus given to building activity of the housing loans of the Dominion Government should benefit the company.

Robert Gair Co. Shows Small Loss

Sharp Reversal of Earnings in Past Year Shown by Comparison

Robert Gair Co., manufacturers of paper boxes and specialties, reports a drastic decline in earnings so far this year. In place of the substantial profits shown for the first half of 1937, a loss of $35,688 has been experienced this year.

Net loss for the three months ended June 30, 1938, was $49,734 whereas a net profit of $14,045 was earned in the three months ended March 31 this year. The figures reported are after income taxes and interest on the income notes and are subject to adjustment at the year-end. Proportionate interest of Robert Gair Co. in earnings of companies whose stock is less than 100% owned is not included nor does it include any profit resulting from the Thames River properties as these had not been adjusted as at the latest date.

Consol. Profit and Loss Statement
Three Months Ended June 30

	1938 $	1937 $
Oper. profit	239,081	714,236
Less: Depreciation	202,704	205,758
Int. on subsid. bonds	22,922	25,985
Subsid. pfd. divs.	9,750	9,750
Net earnings	3,705	472,743
Less: Income note int.	48,639	44,329
Income taxes	4,800	72,625
Net profit	*49,734	355,789

*Loss.

Six Months Ended June 30

	1938 $	1937 $
Oper. profit	591,549	1,374,222
Less: Depreciation	419,351	410,314
Subsid. bond int.	47,556	51,970
Subsid. pfd. divs.	19,500	19,500
Net earnings	105,142	892,438
Less: Income note int.	97,330	84,508
Income taxes	43,500	136,000
Net profit	*35,688	671,930

*Loss.

Westminster Paper Improves Position

From Our Own Correspondent

VANCOUVER. — Substantial increase in earnings of Westminster Paper Co. during the second half of last year is shown in a report just issued by the company.

Net profit for the six months was $23,130 after full allowance was made for depreciation, debenture interest and taxes. This compared with $29,865 for the full year ended July 31, 1937.

In October, 1932, the common stock was placed on a dividend basis of 40 cents a year, and this rate was maintained without interruption with an increase to a 50-cent per annum basis with the semi-annual payment made April 1, 1938.

The company now seeks wider public participation in the ownership of the stock, and two Vancouver financial houses, Pemberton & Son and and Western City Co. offered 17,701 shares already issued, not representing new financing.

Canadian Wallpaper Unit Plans Warehouse

Construction of a new warehouse building at an estimated cost of $40,000 will soon be started by Reg. N. Boxer Co., New Toronto, Ont., one of the manufacturing units of Canadian Wallpaper Manufacturers Ltd.

The company management and the architects, Mathers & Haldenby, Toronto, are currently checking cost estimates submitted by contractors. Final decision as to whether the project will be proceeded with, and on what scale, will depend on outcome of this check. The proposed new building is to replace an old warehouse.

Anglo-Newfoundland Closes Mill to Aug. 16

From Our Own Correspondent

MONTREAL.—The mill of Anglo-Newfoundland Development Co. at Grand Falls, Newfoundland, suspended operations July 30 and will remain closed until August 16. During this period necessary repair work will be carried out and certain adjustments made in connection with new equipment installed in the plant.

Lake Sulphite Pulp Selling Pulpwood

From Our Own Correspondent

MONTREAL.—G. S. Currie, receiver and manager of Lake Sulphite Pulp Co., has been authorized by the courts to sell certain machinery for $1,990 and to sell not more than 11,000 and not less than 9,500 cords of pulpwood at $10.50 a cord.

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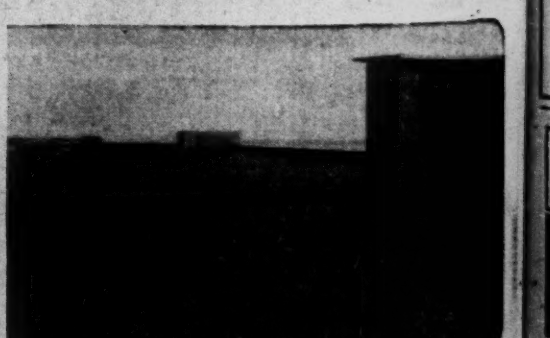
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Week in Mining

Important Mine News Still Spurs Market

Report Extensive Funds to Come Back Into Mining Before Very Long — Sam McGee Again, Very Much Alive

For the more or less immediate outlook of the mines market, some traders are getting a little cautious. Of the longer term view optimism is increasing.

Stock markets don't go straight up and the New York industrial market has had a long uphill run. Some time before very long — unless there is something new under the sun—New York is likely to pause in its climb. And that, very probably, will mean the Canadian mines market will pause too.

But that is precisely the situation, we understand, some important stock market money is waiting for. Funds which have been busy on the more active Wall Street will be brought back here to buy mine stocks—they hope —at slightly lower levels.

During the past several months, the mines market, to a considerable degree, has been made by the average type of investor. When some of the big money comes back from other adventures abroad, it will do a lot to increase activity here.

The other and more important signpost to an interesting fall market is the amount of important news being made at quite a few of the properties, with very good indications of more to follow. The investor with some Waite Amulet or some Preston East Dome profits in his bank account is likely to be a very willing customer if the mines do their part. And approaching weeks and months promise to be rich with important developments.

• • •

Guess

Gold interests around the world had a shock one day this week. British authorities performed their historic and usual morning task of setting the price of gold. Then most unhistorically and most unusually they refused to sell an ounce of it at any price.

What did it mean? There was world-wide jumping to conclusions and the long-awaited increased price for gold was the place quite a lot of the conclusion jumpers landed.

Behind some of their minds were factors like these: During the past two months, some $50 millions in gold has found its way into the money bags of private hoarders. That's a big leak. Politically, Europe has been looking safer than for a good many months before.

Hence, it was argued, if hoarders are so madly anxious for gold, there must be a price increase for gold somewhere not far away.

Enthusiastic as we are for anything that will help the gold producer, we can't, at the present time, get enthused about the possibility of an immediate boost for the gold price. The economics of such a move are not good enough. Furthermore, it would not appear that the United States situation is yet desperate enough to justify any major economic tinkering.

• • •

And Donald Duck

Better guess as to reason behind the London action, it would now appear, is that some new monetary agreement between United States, Britain and probably France is on the way. Morgenthau is over there now. The downward action of the pound has very evidently had the blessing of the Equalization Fund management. The trade treaty is not signed. There are quite a few sound economic and political reasons putting the pound back down to around 4.86, and keeping it there for a while. But when the problem involves Roosevelt II and Donald Duck economics—heaven knows.

Most ironic mishap of the Roosevelt schemes is this: His gold policy, he said, was "to raise the price of his products for the farmer." A few days ago, the wheat market touched its lowest level in five years the very day that U. S. gold stocks stood at three times ($4,250 millions) the figure they did Oct. 22, 1933, when the new gold policy was put into effect.

• • •

You Mean—

One issue which recently sprung into the limelight has been causing some concern and probably some heart burning among the less canny traders. Dufault Lake Mines is not the same stock as Lake Dufault Mines. The latter is the stock which has shown sc..e fireworks recently but there is no current market for Dufault Lake Mines.

• • •

Sam McGee

Mining is full of tales that would fit into any chapter of Arabian Nights, Don Quixote or even A thousand nights in a barroom. But one of the latest brings back to the public stage Sam McGee, the man whose "cremation" Robert Service rhymed and which a Toronto financial district beggar-boy has recited at passing thousands day after day for a half-dozen years.

Sam went with the Klondike rush. Service, then a bank teller, became a pal. A short time ago, the same Sam McGee flew over the old trail in a modern skyfreighter. He is far from "cremated"; a contractor and miner in Montana.

• • •

Climber

For the second month in succession, United States gold production during June was lower than in the corresponding period last year. Canada, during June, established a new high record and for the first six months of the year Canadian gold production passed that of United States for the first time since 1934.

Canadian gold producers are turning in a wonderful record. But we have still some way to go to beat South Africa. There, the figures keep climbing almost monthly and it looks as if the South African monthly production will average around a mill'..n ounces, compared with Canada's 375,000.

The decline in United States production (to 363,000) was enough to offset gains i most of the other gold-producing countries, and world production slipped to 2,585,000 ounces compared with 26 millions in May.

Give Canada as long in the gold business as South Africa. In 1918, Canada's gold production was one fifth that of United States. Now it's higher. In 1918, our gold output was one thirteenth that of South Africa. Now it's one third.

Falconbridge Tonnage Holds, Earnings Off

High level of production but lower earnings were reported by Falconbridge Nickel Mines for three months ended June 30. Lower earnings were attributed to slackened demand for nickel.

The ore zone has been cut at the 2,100-ft. level from the No. 5 shaft with normal results reported. Deeper drilling on the Levack property confirmed the downward continuation of the ore shoot.

Operating Statement
Quarter Ended June 30

	1938	1937
Tons treated	118,398	110,077
Nickel in matte, lb.	3,904,636	3,731,003
Copper in matte, lb.	2,015,763	1,801,007
Refined nickel, lb.	4,286,545	3,658,455
Refined copper, lb.	2,225,419	1,870,780
Gross oper. profit	$603,736	$854,762
Less: Prov. for taxes	47,000	2,500
Deprec. & def. devel.	292,869	259,180
Net profit*	263,866	353,083

*Exclusive of non-operating revenue.

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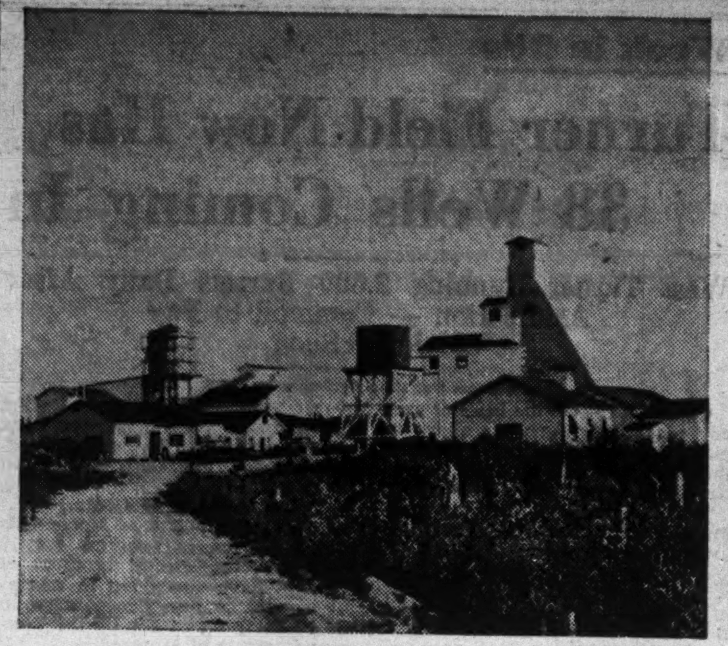

NEW PRODUCER

Photo shows the mill at Lapa Cadillac which this week went into production.

Pamour Porcupine Earnings Doubled on 6 Months Showing

Estimated net profit of $710,588, equal to 14.21 cents per share, is reported by Pamour Porcupine Mines Ltd. for first six months of this year, compared with $283,500 or 5.6 cents in corresponding 1937 period.

Increased production is reported for three months ended June 30, compared with production in first quarter of year. Tonnage treated increased to approximately 137,000 tons, averaging $7.28 per ton in the second quarter, compared with 99,000 tons averaging $7.73 in first quarter. Mill is treating 1,500 tons per day of a lower grade than for the first two quarters but still above average ore reserve figure of $6.15 per ton mentioned in 1937 annual report.

Shaft has been sunk from 1,000 to 1,600 ft. and will reach 1,900 ft. before end of 1938. A crusher station is being established at 1,000 ft. Development is continuing on 200, 400, 600 and 800-ft. levels.

Results of operations in first six months of 1938 may be summarized as follows:

Statement of Operations
Six Months Ended June 30, 1938

	$
Production, less mkt. exp.	1,621,987
Less: Devel., mining, admin. & gen. exp., etc.	753,611
Res. for taxes	25,000
Operating profit	843,376
Add: Misc. inc.	4,112
Less: Est. res. for deprec.	78,000
Pre-oper. exp. w/o	58,900
Est. net profit	710,588
Earned per share	14.21c
Tons milled	235,602

News Concentrates

Bagamac Mines has signed a contract for diamond drilling and officials are at the property laying out a programme of work. It is expected that drilling will be done to the south where company's property adjoins Senator Rouyn.

• • •

Augite Porcupine shareholders approved increase in company's capitalization from two million to three million shares at a special meeting.

• • •

Arntfield Gold reported aggregate June production of approximately $56,000 from the treatment of 4,000 tons of company ore and 2,000 tons of custom ore from Halliwell Gold Mines. Since June 22, all mill feed has come from Arntfield workings with the mill treating 250 tons daily. New hoisting equipment is being installed to allow possible mill increase to 300 tons in the fall.

• • •

New Golden Rose reported June production of $40,815 from 3,492 tons treated, an average recovery of $11.69 per ton. This compared with record May production of $44,170 from 3,384 tons, an average of $13.05.

• • •

Cobalt Contact was authorized to sell its property and assets to York Bousquet Gold Mines for 400,000 free shares of that company, at a special meeting of shareholders on July 29. Distribution of York Bousquet stock will be on the basis of one share for each 10 Cobalt Contact held.

• • •

Central Cadillac Gold has opened up 340 ft. of ore at the 200-ft. level in the No. 2 vein, muck samples averaging $11.74 per ton. New ore is also being opened in a parallel vein 40 ft. to the north of No. 2, it is stated, with 50 ft. of drifting and slashing returning $11.84 per ton. As at June 30, current assets amounted to $58,610 of which $54,436 was cash. Current liabilities were $5,282.

• • •

Sullivan Consol. reportedly is getting close to $70 per ton in development on the fifth level. Several rounds have been taken out of the drift on the 350-ft level which recently made news with its high grade. Vein shows a width of 2½ ft. with ore looking like $70.

• • •

Fawn Mining Co. Ltd. of Vancouver has been granted license to sell stock in the United States.

• • •

Duquesne Mining Co. Ltd. of Toronto, has been granted license to sell stock in the U. S.

• • •

Perron Gold Mines reported production of $59,500 for the first two weeks of July compared with $43,-194 for the first two weeks of June and $37,980 for the same period of the previous year. J. P. Norrie, general manager, stated that stoping responded well. Development continued on the 425- and 375-ft. levels with "satisfactory" results, particularly drift 3,703 where 200 ft. of ore averaging approximately 0.25 oz. gold per ton were exposed with wider than drift width.

• • •

Rand Malartic has commenced shaft sinking, it is stated, and diamond drilling has been suspended for the present. Initial shaft objective is 500 ft. with levels at 250 and 500 ft. About 300 to 400 ft. of crosscutting will be necessary to bring headings into the wide body of medium to low grade ore indicated by diamond drilling.

Home Oil now has 75,000 acres of potential oil bearing land and since Dec. 31, 1937, the company has spent $237,000 on the purchase and development of oil and gas leases, according to an interim report from President Nelson Spencer.

• • •

B.E.A.R. Diamond drilling on three new structures which have been opened up on the Homer claims in Yellowknife is to start this week, officials announce. Plans for trebling mill capacity at the Great Bear Lake property are in hand and some $20,000 in silver concentrate will be shipped shortly.

• • •

Maniwaki shareholders on Aug. 2 approved sale of property and machinery to McDonough Mining Syndicate for cancellation of 950,000 shares held by McDonough interests. Reduction in authorized capital from 3,500,000 to 2,550,000 shares of which 575,005 shares will be outstanding was also approved. Company plans to invest cash assets amounting to $93,891 at June 30, in shares of other companies or in options on properties. Sale of the original property was decided on following failure of drilling and surface test pits to determine downward extension of the high grade surface showing.

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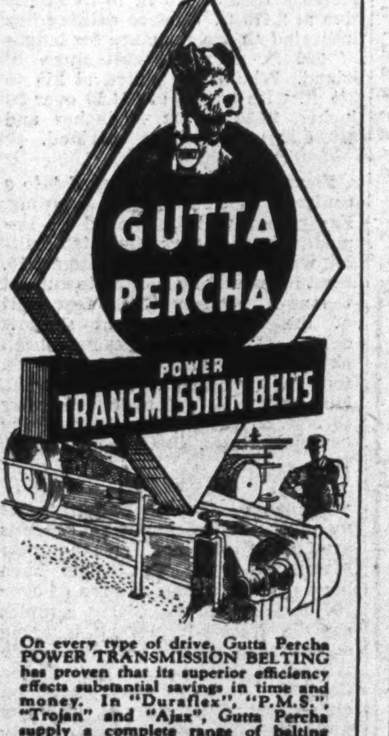

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Preston East Results Rich

Drift Reaches 215 Feet With Ore Still Spectacular

Spectacular high grade continues for the 215 ft. of drifting done on the 550-ft. level at Preston East Dome, The Financial Post is informed. First 170 ft. averaged about $219 per ton, but the remainder is running much higher.

Values, round for round, for balance of the 215-ft. length have been as follows: $1,212, $705, $550, $873, $1,030, $1,471, $2,093 and $757 per ton. The company is shipping about 8,600 pounds of rich ore to the Cobalt Testing Laboratories, which, it is estimated, will run $5 per pound in gold.

At the 425-ft. level a crosscut is being put out to develop the upward extension of the ore opened at the 550-ft. level. Diamond drilling has cut the zone at this level showing a value of $208 per ton across a width of $3 ft. At the 325-ft. level a drill hole cut 13 ft. of quartz. At a depth of 70 ft. below the 550-ft. level a drill hole shows high grade across a width of 2 ft. Drilling so far completed indicates a height of at least 200 ft. for the ore zone.

A width of 25 ft. was shown where the ore body was first cut in the crosscut at the 550-ft. level. While the average width of the ore zone has not been determined, flat drilling from the 550-ft. level is stated to indicate a width of around 18 ft.

Noranda Net Profit Lower

Six-month Earnings $2.12 a Share — Copper Output Up

An increase of over 25% in copper production for the first six months of 1938 compared with the similar period of 1937 is shown by Noranda Mines Ltd.

Estimated net profit for the half year is $2.12 per share compared with $2.24 in the first half of 1937 and $4.14 for the full year.

The record of the leading copper-gold producer for the six-months' period is shown in the following table:

Six Months Earnings
Period Ended June 30

	1938 $	1937 $
Total recovery	10,425,543	9,621,070
Less: Mining, cust. ore, admin. & gen. exps.	4,782,558	3,581,783
Res. for taxes	910,000	975,000
Net oper. earnings	4,732,985	5,064,287
Add: Misc. income	279,203	202,820
Total income	5,012,188	5,267,107
Less: Res. for deprec.	264,000	240,000
Est. net profit	4,748,188	5,027,107
Earnings per share	$2.12	$2.24
Copper anodes prod., lb.	46,899,817	36,436,898

Lapa Cadillac Gold is stated to have established the existence of another shear zone to the north by diamond drilling, with the full width not revealed.

HEADS POWELL ROUYN

Lester M. Keachie has just been made president of Powell Rouyn Mines. He is also secretary-treasurer of B.E.A.R.

Neighbor of Waite Gets Nice Sections

Lake Dufault Mines No. 10 drill hole, about 50 ft. from the Waite Amulet boundary, returned one section of vertical core 45 ft. in length assaying 8.82% copper, 4% zinc, 0.04 oz. gold and 2.6 oz. silver, officials state. With copper at 10 cents the grade will be about $20 per ton of ore. This intersection was located from 983 ft. to 1,028 ft. Another intersection was located from 923 ft. to 939 ft. assaying 1% copper, 15.7% zinc, 0.2 oz. gold and 1 oz. silver.

J. G. MacGregor, president, points out that the boundaries of ore occurrences are irregular and considerable drilling must be completed in order to establish the limits of the ore body. Mr. MacGregor further suggests that the marginal ore intersected in holes 2, 4, 5 and 8 may indicate the limits to the north and east but the south is still open. Ore has been intersected in three holes, namely 6, 7 and 10.

Area Mines owns 450,000 shares of Lake Dufault and holds an option on 100,000 at 25 cents.

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Rhyolite Rouyn is diamond drilling a copper showing on its property adjoining Waite Amulet Mines, according to President Cyril T. Young. A short section of core ran 2% copper, it is stated.

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New Issue

Applications having been received for an amount in excess of this issue, this advertisement appears as a matter of record only.

$700,000

Preston East Dome Mines, Limited

(No Personal Liability)

First (Closed) Mortgage 6% Five Year Bonds

To be dated July 1, 1938 To mature July 1, 1943

Principal and half-yearly interest (January 1 and July 1) payable in lawful money of Canada at the holder's option, at the principal offices of the Company's Bankers in Toronto, Montreal, Halifax and Vancouver. Coupon bonds in denominations of $1,000, $500 and $100, registerable as to principal only. Redeemable in whole or in part at the option of the company on any interest date prior to maturity on thirty days' notice at 103 and accrued interest.

Trustee: Chartered Trust and Executor Company

CAPITALIZATION
(Upon completion of this financing)

	Authorized	Issued
First (Closed) Mortgage 6% Five Year Bonds	$ 700,000	$ 700,000
Common Shares ($1.00 Par Value)	3,000,000	3,000,000

SECURITY

The bonds will be issued under and, in the opinion of counsel, secured by a Trust Deed bearing formal date July 1st, 1938, in favour of Chartered Trust and Executor Company as Trustee. The Trust Deed, in the opinion of counsel, will create a first, fixed and specific mortgage and charge upon all the company's real and immovable property and rights, plant and machinery, and a first floating charge on all other assets of the company, present and future.

SINKING FUND

The Trust Deed will provide that the company will, so long as any bonds are outstanding, within thirty (30) days after completion of each three (3) months' period (commencing with the three (3) months' period immediately following the end of the first calendar month subsequent to the calendar month in which milling operations on the company's property are commenced) pay to the Trustee a sum not less than two-thirds of the net income (to be defined in the Trust Deed) of the company for such three (3) months' period.

The amounts so paid to the Trustee are to be used by it to retire bonds by purchase at not exceeding 103 and accrued interest, or by redemption if not so purchasable, at 103 and accrued interest.

PURPOSE OF ISSUE

These funds will be used in part to provide for the construction of a mill on the company's property. Of the balance, sufficient will be deposited with the Trustee in order to provide for the interest on the outstanding Bonds payable January 1, 1939, and July 1, 1939. The balance will be available for further development of the known ore bodies and for general and proper corporate purposes. The Deed of Trust will provide that all capital expenditures of the company will be subject to the approval of the company's consulting engineer. Provision will be made that the consulting engineer will be satisfactory to the underwriters.

DIRECTORS

The Directors of the Company are as follows:—E. W. Wright, K.C., President; W. H. Bouck, Vice-President; H. Preston Coursen, Salter A. Hayden, K.C., A. P. Herbert, Stuart B. Playfair and D. G. H. Wright.

PRICE: 97½ and accrued interest
carrying a bonus of 75 shares of Common Stock with each $1,000 Bond

We offer these bonds subject to prior sale and change in price, if, as and when issued and accepted by us, and subject to the approval of all legal details in connection with the creation and issue of the bonds and of the validity of the Trust Deed securing the same and of the company's titles to its property by our counsel, Messrs. Borden, Elliot, Sankey and Kelley, and as to all matters on behalf of the Company by Messrs. Waldron, Bouck & Hetherington.

Milner, Ross & Co.
Members The Toronto Stock Exchange
330 Bay Street - - Toronto
Branch: Pigott Bldg., Hamilton

Draper Dobie & Co.
Members The Toronto Stock Exchange
330 Bay Street - - Toronto
Branch: 12 Queen Street, St. Catharines

The statements contained herein are based upon information which we believe to be reliable. We do not guarantee, but believe the statements herein made to be true.

Aug. 2, 1938.

Montreal Lists Lapa Cadillac

Mill is Scheduled to Start Production in August

From Our Own Correspondent

MONTREAL. — Shares of Lapa Cadillac Gold Mines were called for trading on the Montreal Curb Market on August 1. The ticker abbreviation is LCG.

The listing covers 3,000,000 shares, par value $1 each, of which 2,949,765 have been issued. Of the issued stock, 705,000 shares are held in pool, leaving 2,244,765 shares outstanding. Of the treasury stock, 25,000 shares are under option at 60 cents a share and 25,000 shares at 75 cents a share.

Balance sheet as at May 31 last, shows cash at $5,303. Since then the company has received $11,500 for 22,000 shares issued at 50 cents a share on July 1. Stores and materials on hand are shown at a book value of $58,130. Accounts payable and accrued charges total $120,041 and advances from associated company $115,000.

The company's property is equipped with a modern mill with a rated capacity of 250 tons daily, which is scheduled to be in operation in August. The main shaft has been sunk to a depth of 622 feet, with development work being carried out on three levels. Ore reserves are estimated at 250,000 tons.

Preston East Dome Mines Issues Additional Stock

From Our Own Correspondent

MONTREAL.—Preston East Dome Mines notified Montreal Curb it has issued 100,000 shares of treasury stock for $10,000 cash and a 40-acre mining claim, adjoining the present East Dome property.

The company has also sold 15,000 shares of treasury stock at 85 cents a share. Total issued capital is now 2,875,000 shares, 3 million authorized.

What's Ahead for Copper?

How Much Longer Are These Stocks to Hold the Stage?

What is the copper picture?

Is it time for the copper stocks to slow down, move off the stage and the spotlight switch to another group?

Here are a few things to think about.

As part of the U. S. pump-priming campaign, meetings are shortly being held in 12 states with a view to forcing money into production—this time, rural electrification.

If the plan goes through it means some 1,200,000 miles of wire, 275,000 generators, and transformers. It would mean 1,140,000,000 pounds of copper and aluminum or 47,000 tons a month.

If the scheme works only 50%, it is still big news for copper.

Another thing: Housing is a feature of current pump-priming. Just before America's current recession broke, housing figures convinced many that the long-awaited real estate recovery was on the way. Some economists have said building is going to feature the "second phase" of recovery.

Third: Motor cars, according to many, including Leonard Ayres of the Cleveland Trust, are going to lead America into the new era of milk, honey and whoopee.

And here is where most copper in U. S. goes.

Electrical—164,000 tons.
Automobiles—108,000 tons.
Buildings—71,000 tons.
Air-conditioning—6,400 tons.
Refrigerators—15,000 tons.
Total—364,000 tons.

In "normal" times the building industry alone consumes as much copper as motor cars.

These Take Half

These industries account for about half the total U. S. consumption which in 1937 was 750,000 tons.

In brief, the copper picture is bright—very bright, first through pump-priming, second, through the form recovery is most likely to take.

Take the shorter range view; leaving out the ifs, buts and as whens.

In 1937, Canadian copper producers turned out 11% of the world's total 1937 production. At 10 cents per pound, this output was worth $53,981,000. Every one-cent price increase added to the income of Canada—$5,398,100.

For the past few years, foreign copper consumption has maintained a consistently favorable balance with foreign refined production. But in spite of this balance, world supplies of copper have become increasingly unsatisfactory, accompanied by lower prices, due entirely to the poor adjustment of production and consumption within the United States.

Foreign copper stocks — 192,524 tons in June — were at the lowest point in the past several years. Stocks in the United States, on the other hand, reached a low of 99,576 tons in April, 1937, and since then have climbed steadily to the present unwieldy total of $369,800 tons—an increase of 270% in slightly more than one year.

U. S. Major Factor

The United States copper situation will, in the future, be the major factor in the outlook for the world industry. Due to the flexible control of the International Copper Cartel, the foreign situation is unlikely to cause serious trouble.

The Cartel, of which United States and Canadian producers are not members, controls an annual capacity output of 1,000,000 tons. Canada is not a member because most Canadian producers also produce other metals such as gold. Hence, if they were Cartel members, an order to cut down copper production would mean a cut-down also in gold production.. For control purposes, 610,000 tons a year has been set as the "agreed" capacity. Restrictions are then imposed as a percentage of this capacity rather than as a percentage of actual capacity.

In the boom which reached a climax in 1937, all restrictions were removed. But with the United States upsetting the balance, restrictions of 105% of agreed capacity were reimposed in October, 1937. Anticipating a possible summer lull in foreign consumption, this was lowered to 95%, effective July 1,

Foreign output will be curtailed by about 6,000 tons monthly and, if foreign consumption is maintained, foreign stocks will decrease by a like amount in addition to the past rate of decrease.

If foreign consumption declines, control of the Cartel will have to be relied upon to maintain foreign production at a favorable ratio with consumption. In the past this control has been highly effective.

The United States picture, therefore, is the one to watch closely.

Production Excessive

The unsatisfactory statistical record of copper in the United States arose directly from excessive inventories in the hands of fabricators and excessive stocks in the hands of producers. Both were the result of excessive production in relation to actual consumption.

Copper is consumed in the United States in the following proportions:

	%
Electrical Equipment (including Radio and Elec. Refrigeration)	42.0
Automobiles	16.0
Building and Construction	8.5
Miscellaneous	28.5
Exports	5.0
	100.0

Between January and September, 1937, some 125,000 tons of copper were added to U. S. stocks.

In October the price dipped below 12 cents, surplus stocks rose above 400,000 tons and at the same time came a sharp decline in auto and electric production.

Manufacturers now began to reverse their purchasing programmes, their inventories began to decline until by May, 1938, inventories were only about 10,000 tons greater than in January, 1937.

Actual consumption during May, 1938, was about 40,000 tons, while apparent consumption or sales to fabricators was only 28,000 tons, indicating a rate of decrease of about 12,000 tons monthly. At the present rate of decrease the total will be about normal by the end of July or August.

More Market Buying

As these inventories approach normal, consumers will be forced to buy a larger part of their immediate requirements from the market.

In addition to these inventories, the copper industry has had to worry about surplus stocks in producers' hands resulting from excessive production in relation to the sales to fabricators. These have a pronounced effect on prices.

Total world stocks declined to a low of 283,000 tons in April, 1937. As they declined below 400,000 tons, the price rose above 10 cents to a high of over 17 cents. Today, stocks total 554,350 tons, the highest since July, 1935.

From past experience, total stocks should either fall below 400,000 tons or be declining steeply to permit a price level of 10-12 cents per pound. This indicates a present excess of 150,000 tons. Naturally, this excess can be eliminated only by world apparent consumption exceeding world production.

For the United States there are several powerful factors operating to bring a decrease in stocks.

With inventories nearly normal, fabricators will have to meet immediate requirements over the next three months more from the market and less from their reserves.

U. S. production is being curtailed. Anaconda Copper Co. closed four of its mines; Kennecott Copper Co. and Utah Copper Co. have closed down completely; Calumet & Hecla Mining Co. has reduced its operations. Net effect was a decline in output to around 20,000 tons per month.

Cleared by August

To sum up, June to August should see the United States output well below apparent consumption, with September ushering in a rate of decrease in United States stocks of around 20,000 tons per month. Assuming foreign stocks maintain their balance, world stocks will decrease by about 25,000 to 30,000 tons per month.

At this rate, the first quarter of 1939 should see world stocks once again below 400,000 tons. A gradual rise in price to around 12 cents per pound over the period July, 1938, to March, 1939, may be looked for.

One very important factor has been omitted here—Recovery. All estimates have been based on a stationary trend in business, a very improbable event.

In connection with the mooted expansion of the utility industry, which only awaits favorable conditions, politically and economically, the prediction of Vice-President Kehoe, of Consolidated Edison Co. of New York, is of interest. Over the next 10 years, he estimates plant investment of the electric power and light industry will total $13 billions, starting at $1 billion the first year and working up to $1¾ billion per year at the end of the 10-year period. This compares with $455,480,000 spent last year, excluding Federal projects. Such a programme would obviously have a pronounced effect on copper consumption.

The copper picture is bright.

Mining Company Options

Cataraqui Gold Mines—One month extension granted W. McG. Brown on agreement of April 28, covering option on 1,438,773 shares at 5 to 50 cents.

Do So Yellowknife Gold Mines—On July 22, Trans-Cambrian Investment Co. purchased 100,000 shares at four cents payable over 60 days and received options on 1,400,000 shares at 5 to 40 cents payable at least $3,000 monthly for first 900,000 shares and $15,000 monthly on balance. Company incorporated in Ontario, July, 1938; authorized capital 3,000,000 shares, $1 par; issued 1,000,005. Purchase agreement requires $9,000 cash payable $1,000 monthly commencing Aug. 21.

Earngold Mines—On July 21, Malcolm F. Blue purchased 500,000 shares, 300,000 at five cents, 100,000 at six cents, and 100,000 at seven cents, all payable over five months. Options granted on 750,000 shares at 10 to 25c., payable $10,000 monthly commencing Jan., 1939. Company incorporated in Ontario, July, 1938; authorized capitalization, 4,000,000 shares, $1 par value; 1,250,000 shares issued for property plus $12,500 payable $5,000 by Dec., 1938 and balance at one cent per treasury share sold after Dec., 1938.

Pirate Gold Mines—Agreement dated Apr. 27 covering sale of 1,750,000 shares at five cents to 75 cents extended two months.

Quebec Eureka Gold Mines—Thorah Securities Corp., granted extension of 90 days on Feb. 26 agreement covering option on 996,695 shares at three to 14 cents.

Shirlac Gold Mines—On May 12, Draper Dobie & Co. purchased 500,000 shares at two cents payable within three months and were granted option on 1,999,995 shares at five to 70 cents exercisable over 35 months. Company incorporated in Ontario, May, 1938; authorized capital 3,000,000 shares, $1 par; issued 500,005.

Upper Canada Mines—On July 18, Gordon F. Summers purchased 75,000 shares at 40 cents, payable forthwith and optioned 375,000 shares at 45 cents to $1.50 per share, payable 75,000 shares by Aug. 15, 50,000 shares by Sept. 15; balance by Dec. 31, 1938. Authorized capital 3,500,000 shares; 2,544,009 shares issued.

Augite Porcupine—Balance of option to John F. Conroy Jr. under agreement Feb. 15, covering 198,995 shares at 40 cents has been terminated. By agreement July 15, with John F. Conroy Jr. and Charles B. Deller, of New York, 100,000 shares underwritten at 35 cents, payment to be made after increase of authorized capital from 2,000,000 to 3,000,000 shares, and option on 698,994 shares, 98,994 at 45 cents up to Feb. 1, 1939, 100,000 at 60 cents to May 1, 1939 and 500,000 at 60 cents to Sept. 1, 1939.

Dorval-Siscoe—July 28 installment covering option on 25,000 shares at 12 cents under agreement to Que-On Mines, June 24, 1938, has been exercised. Issued capital now 3,550,007 shares.

Gillies Lake-Porcupine—July 28 instalment comprising option on 50,000 shares at 15 cents under agreement with John F. Conroy, Jr., of New York, July 13, 1938, has been exercised. Issued capital now 2,549,000 shares.

Chesterville Larder Lake—Additional 15,300 shares have been taken up at $1.12½ per share under agreement with Collins and Mackinnon and J. Bradley Streit, July 17, 1937 and May 23 and June 3, 1938. There remain under option 670,900 shares at $1.12½ per share and optionees must take up such blocks as may be demanded by company. Issued capital now 1,432,559 shares, of which 105,000 are held in trust.

Week in Oils

Turner Field Now Has 38 Wells Coming In

West Turner Running 2,500 Barrels Daily After Acidization — Commoil to Pay Dividend Soon

From Our Own Correspondent

CALGARY.—On the basis of present potentials, Turner Valley has now reached the distinction of being the largest crude oil field in the British Empire.

Trinidad for many years top ranking field, produces from 10 to 17 million barrels of oil annually.

Now, however, Turner Valley, with 22 crude producers, has a present potential two-thirds of capacity flow in 24 hours of 52,000 barrels a day or 18,980,000 barrels a year.

The potential yield at the end of this year, will again be increased considerably, if and when 38 uncompleted wells come in. Under 37% proration the yield is between 400,000 and 500,000 barrels a month, or about 5,500,400 barrels a year.

Expect Dividends

Dividends to be paid by four subsidiaries of Anglo-Canadian for the quarter to July 31, are likely to be higher than previously it is understood here. It is probable that the payments will be somewhat as follows: Foundation Pete, 2.5 cents a share in place of 1.2 in the previous quarter; Prairie Royalties, 5.5 against 3.2; Firestone Pete, 2 against 1; Monarch Royalties, 1 against 1.3.

Shareholders at the McDougall-Segur meeting here were told that they would likely receive dividends in the not distant future. Present holdings of this company include: 246,000 shares of Sunset, 5% royalty on B & B, 10% royalty on Turner Valley Royalties, 8% royalty on Royal Crest, 2½% gross royalty on Three Point, 2% royalty on Sovereign, 2½% gross royalty on Sunset No. 2 and 4,400 shares of Royalite.

West Turner Acidized

West Turner No. 2 is producing at the rate of approximately 2,500 barrels daily following acidization. Last official hourly production figures were 104 barrels, 116 barrels, 96 barrels and 113 barrels. The gas flow is 2,500,000 cubic feet a day.

Now pumping crude oil at the rate of approximately 25 barrels a day. Moose Oils 2 will be deepened in expectation of a large strike in a lower horizon. Moose Oils 2 is located on the Moose Dome structure about 60 miles from Calgary. It has been producing oil through a 16-inch hole, cased to 750 feet, from a total depth of only 1,550 feet.

Money to complete the well is being realized through the sale of acreage on the Moose Dome structure to Devonian Petroleum Ltd., a recently organized Vancouver concern.

Moose No. 1 was carried to a depth of 2,832 feet and came in with an initial flow of 10 million cubic feet of wet gas daily. The following directors of Commoil, Limited, have been elected: D. J. Young, F. F. Reeve, E. B. Allan, G. T. Wright and G. D. McKay.

Long Fight For Control

A fight for control of Moose Oils Ltd. has been in progress for 10 years, but the Pilling brothers of Calgary, have succeeded in retaining control. A heavy investment in the property was made by the Timmins interests of Montreal.

Apart from Banff, the Moose Dome structure is unique in exposing the oldest geological formations. Along the mountain sides, the dome structure can be seen, and there are outcroppings of all the formations penetrated by Turner Valley wells, including the Madison limestone. Below that, the Banff shales are exposed. The Moose wells drilled a few hundred feet in the Banff shales, and encountered oil and gas production the Devonian lime, underlying the shales. A well in Turner Valley would have to be drilled well over 10,000 feet to reach identical formations as penetrated by the Moose Dome wells.

To Pay Dividend

A dividend, probably three cents a share, involving distribution of more than $30,000 will be paid by Commoil Ltd., operators of one of the largest Turner Valley crude producers and a second well close to the limestone in Turner Valley. The following directors of Commoil Limited, have been elected: D. J. Young, F. F. Reeve, E. B. Allan, G. T. Wright and G. D. McKay.

To Prorate Gas Wells

Gas wells are to be prorated, according to an announcement by W. F. Knode, chairman of the Petroleum and Natural Gas Conservation Board. Apparently companies besides Royalite are to be given an opportunity to sell gas to the Calgary gas company.

For many years gas has been supplied by Royalite. Gas produced by other companies has been burned in flares after naphtha has been extracted.

It is necessary for a well to produce gas at 400 pounds pressure to supply the gas gathering system. Consequently gas will continue to be supplied by companies operating gas and not crude wells. The working gas pressure at a crude well is about 200 pounds. Crude producers will be allowed to produce sufficient gas daily for lifting crude to the surface. This gas becomes the property of the crude companies and they can sell it, if they can, or use it for fuel for drilling other wells.

News Concentrates

Canadian Malartic Gold Mines is considering sinking a new shaft in the eastern section of its property. 1,200 ft. from the Sladen-Malartic boundary. Decision is expected within a few days. Drilling indicated ore about 700 ft. from present workings.

* * *

Upper Canada Mines has located a new ore body at the 250-ft. level about 35 ft. north of the ore body previously opened up at this level. Channel sampling returned value of $16.50 per ton across width of 4.5 ft., it is stated.

* * *

Island Mountain Mines, Newmont subsidiary, operating in Cariboo district, is reported to have improved ore reserve position by work carried out on 3,500-ft. level, which is 500 ft. below the adit level where good ore was opened up in lime replacements. Replacement ore bodies are now being opened up on three intermediate levels between adit and 3,500-ft. levels.

* * *

Siscoe Gold Mines should be opening four new levels within three months when its shaft will be completed a further 175 ft. to its objective at 2,475 ft. Surface drilling has indicated an ore structure for length of 225 ft. near the east shore of island. Widths are stated at 2½ to 3½ ft. with assays of $24.50 over 29 inches, $4.20 across 41 inches and $10.85 across 30 inches, obtained.

* * *

Flavrian Gold—has entered into a contract for diamond drilling. Equipment will be moved in immediately and it is anticipated drilling will be under way by August 10. First holes will be spotted to cut out the new find some 3,000 feet west of the shaft section at shallow depths. Consistent values have been obtained over widths of four to six feet in trenching along this vein, and geology is described as similar to Noranda and Waite-Amulet, the company states. Shaft is now at 330 feet.

* * *

Shenango.—Gordon Pollard, mine manager, states important results are being obtained on the new Mammoth zone. Ten veins have been defined within an area of over 100 feet in width. Early samples showed free gold. Work is being concentrated on this new find which is west of the track on the Algoma Central. Former work was on claims east of the railroad. The new find gives the company an entirely new ore body. On the eastern claims, seven veins gave assay returns averaging better than $12. A shaft was put down on the P.2 vein to 50 feet.

* * *

Grace-Larder—Main vein cut in two additional diamond drill holes, according to A. A. Lee, engineer. Hole 15 cut main vein with a width of 30 inches at a depth of 110 feet, showing good mineralization. Hole 16 cut main vein at 101 feet, showing a width of nine feet of well mineralized core. No. 15 also cut two new veins at various depths, showing widths of 32 inches and 12 inches. Assay results are expected within a week. Shaft sinking has been started. The road to Larder Lake is expected to be completed by the end of the month.

* * *

McDonald Mines is carrying on programme of surface exploration on property in Dufresnoy twp., Que., situated on Lake Dufault. A gold-copper-zinc zone is understood to have been located.

Mineral Area Map Report Is Ready

A mile-to-the-inch geological and topographical map of the Cranbrook area, British Columbia, to accompany a report (Memoir 207) on the area issued last year, has been published by the Geological Survey Division, Department of Mines and Resources, Ottawa.

The 430-square mile area lies mostly west of Kootenay River in the east flank of the Purcell range between the town of Cranbrook and Kimberley. Included in the map area, is Consolidated Mining and Smelting Company's Sullivan Mine. Mineral deposits of the district, according to the memoir, are many and varied.

CHARTERED ACCOUNTANTS

PLANNING AN ACCOUNTING SYSTEM

"The old order changeth, yielding place to new." So Tennyson described in poetic language the progress that was evident in his time and which can be discerned today in every sphere of industrial enterprise.

Recent changes in the mechanics of accounting and in accounting systems have been phenomenal. The despatch with which business is conducted is rendering insufficient and obsolete many of the systems of recording commercial transactions of former years. Proper accounting—the recording in permanent and useful form of the facts of business operations and transactions for reference purposes is important and necessary.

Business men need the information, which only a good accounting system can provide, for three main purposes:—

(1) As an aid to control avoidable waste of money, material or effort.
(2) As a safeguard against dishonesty, and
(3) As a guide for the future, in the setting of standards based upon records of past experience.

Accounting, then, has become one of the major considerations in business. In the recognition of this lies the true solution to numerous problems of organization. Here is one of the fields in which the chartered accountant has an important function, for to him the industrialist and others turn for advice on reorganizations of accounting systems in their enterprises.

One of a series of brief discussions of the work of the chartered accountant.

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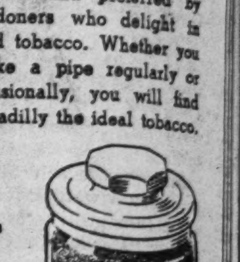

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